



Daily Report

East Asia

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Daily Report

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International Business Conference in Singapore

Indonesian Minister Speaks

*BK1905104194 Jakarta ANTARA in English 0943 GMT
19 May 94*

[Text] Singapore, May 19 (OANA-ANTARA)—Economic growth in the Asia-Pacific region is a challenge but is in the same time also an opportunity for ASEAN which conduct an open economic system, Indonesian Coordinating Minister for Industry and Trade Hartarto said here on Wednesday.

"To face the challenge, ASEAN's economy should be turned into a more efficient one. Apart from that the quality of their products as well as management should be improved to achieve world standards," he said at an international conference, entitled "Waves of The Future—ASEAN, Vietnam, and China: Opportunities for World Business."

At the conference which lasts from May 17 through 19, the Indonesian coordinating minister further said that a number of opportunities would be wide open for ASEAN investors to conduct business in rapid developing countries in the field of industry, including China, India, and Vietnam.

"These countries are potential markets for our exports," he added.

According to Hartarto, those countries provide comparative advantages in industry which is labour-intensive with relatively low labour wages and a hard working labour force.

ASEAN should make the necessary adjustment if it wants to be successful in an increasingly stiff competition.

Hartarto also touched on the success of the Uruguay Round and the acceptance of GATT and its connection with ASEAN. He further believed that the success of the Uruguay Round would contribute to ASEAN's economic growth and after the ratification of the GATT, the Association of Southeast Asian nations would have access into the international market without any obstacles.

In his working paper entitled "ASEAN: New Opportunities and Challenges," the coordinating minister reiterated the ASEAN position and that of the developing countries which rejected the interconnection of trade with social and labour standard issues, urging that these issues be tackled by existing international organizations.

The ASEAN labour ministers, who convened here from May 16 through 17, urged the International Labour Organization (ILO) to oppose the Western countries pressure to protect their domestic markets.

The Western countries should not be permitted to force the ILO to apply stiff labour standards as a precondition for the developing countries to obtain market access, said a joint communique of the ASEAN ministers.

After seven years of negotiations on the GATT, the 125 participating countries agreed to implement the GATT at the last meeting in Marrakesh, Morocco on April 15.

The centre of attention of the GATT is world economic growth based on free trade and multilateral system or on an open and transparent system.

The World Trade Organization (WTO), a multilateral trade body, will replace the GATT and is expected to have more power to eradicate global protectionism.

Meanwhile, social clauses interlinked with international trade agreements are considered as a new form of protectionism. Hartarto stated that the European Union and the NAFTA should remain open and transparent as was the case with the ASEAN economy which adhered to the open system, so that in the future Europe, North America, and Asia would achieve a favourable economic balance without one region considering itself dominant.

Hartarto went on to state that when competition became increasingly stiff, increasing productivity in the three regions would become a driving force for world economic growth and expansion of world trade which in turn would also create new opportunities for all countries. The coordinating minister for industry and trade also revealed that the ASEAN Free Trade Area (AFTA) was established to face global challenges. The aim of the AFTA is to enhance economic cooperation among the ASEAN member countries through the application of the Common Effective Preferential Tariff (CEPT) which will be in force as of January 1993, Hartarto said.

PRC Vice-Premier on MFN Extension

*BK1905055794 Hong Kong AFP in English 0539 GMT
19 May 94*

[Text] SINGAPORE, May 19 (AFP)—It would not be in the United States' interest to deny China its most favoured nation (MFN) status, Chinese Vice-Premier Li Lanqing said here Thursday.

Responding to questions at a business conference, Li said: "MFN is mutually beneficial and the basis for our bilateral trading relationship. The granting of MFN status and preservation of MFN treatment is of fundamental interest to our two countries."

Li's comments came as reports from Washington suggested US President Bill Clinton was considering partial withdrawal of China's trading privileges. He must decide on his course of action by June 3. Clinton said last year that he would not renew China's MFN status unless Beijing made "significant overall progress" on human rights. Beijing has warned that it would retaliate against a withdrawal of MFN, and Chinese Premier Li Peng said earlier this week that China would not tolerate interference in its internal affairs.

Li Lanqing said he had not heard of proposals for limited penalties on Chinese exports as an alternative to total

withdrawal of China's MFN status but commented that the privilege was "mutually beneficial" and important for bilateral trade.

The three-day conference, organised by the New York-based Asia Society, has attracted 800 business and political leaders, mostly from Asia-Pacific.

Washington's decision to link China's MFN status to human rights has been criticised by some Asian governments, worried that a withdrawal would cause regional economic and political harm.

Singapore Prime Minister Goh Chok Tong Tuesday warned that any move to cut off Asia's booming economies from western markets could trigger the formation of an Asian trade bloc.

"An Asian trade bloc is not an option of choice. But it is a viable option," Goh told the same conference Tuesday.

Li said China would continue to modernise its economy, tap opportunities abroad and provide conditions for foreign investors to prosper.

"China's development cannot do without the world and the world's development needs China's participation," he said.

PRC Vice-Premier on Spratlys

BK1905074894 Hong Kong AFP in English 0741 GMT 19 May 94

[Text] SINGAPORE, May 19 (AFP)—Chinese Vice-Premier Li Lanqing indicated Thursday that Beijing had no intention of reversing its decision to give a US oil company rights to explore for oil in territory disputed with Vietnam. Li said that while Beijing would continue "friendly consultations" with Hanoi on overlapping territorial claims in the South China Sea, these talks would cover only disputed territories, not territory belonging to China.

"In regards to indisputable territories, there is no question," he told a business opportunities conference here organised by the New York-based Asia Society. Li was asked whether China would keep a pledge to its Southeast Asian neighbours to keep the peace over territorial disputes in the Spratly islands. The islands, which reputedly sit atop vast deposits of oil and gas, are claimed in whole or part by Brunei, China, Malaysia, the Philippines, Taiwan and Vietnam.

Crestone, a Colorado-based oil company, announced last month that it planned to drill into the Tu Chinh sandbar, about 400 kilometers (250 miles) southeast of Vietnam's coast, under terms of a concession signed with China. But Vietnam, which claims that the Tu Chinh sandbar is well within its special economic zone and continental shelf, has demanded Crestone halt all operations in the area, saying any exploration was illegal.

Li welcomed remarks by Vietnamese Prime Minister Vo Van Kiet at the same conference Wednesday that Hanoi would pursue its claims in the South China Sea "through

peaceful negotiations and in an atmosphere of friendship." He said that Beijing still believed that claimants should jointly develop disputed areas.

Kiet told the STRAITS TIMES daily in an interview published Thursday that while Hanoi would defend its territory, it saw no reason to use force in Tu Chinh because of improvements in ties with China. The Chinese and Vietnamese navies fought a brief but bloody engagement in the Spratlys in March 1988. Hundreds of Vietnamese were believed to have been killed in the fighting.

Russian Ambassador to ROK Addresses Tokyo Seminar

SK1905074594 Seoul YONHAP in English 0649 GMT 19 May 94

[Text] Tokyo, May 19 (YONHAP)—Russian Ambassador to South Korea Georgiy Kunadze said Wednesday that North Korea, as a member of the Nuclear Non-proliferation Treaty (NPT), should fulfill all of its obligations under the treaty.

He told a symposium in Tokyo titled "Peace and Stability in East Asia" that, even though North Korea has been insisting that it be given a special position ever since it announced its intention to withdraw from the NPT, there are no other positions in the international convention than that of either a member or a non-member. His remarks were seen as tantamount to urging Pyongyang to accept full-fledged inspections by the International Atomic Energy Agency (IAEA).

"As a main member of the NPT, Russia will make the maximum effort in trying to see to it that nuclear weapons do not appear in Northeast Asia," he said. But Kunadze struck a cautious note on the issue of sanctions against North Korea, saying that isolating the communist state might produce unwanted results.

Meanwhile, former Japanese Foreign Minister Taro Nakayama pointed out that international countermeasures against North Korea, assuming that it persists in rejecting nuclear inspections, depend on the stances of Russia and China. Japan's diplomatic ability, he added, will be tested as a result because Tokyo may have to control remittances from pro-Pyongyang Koreans in Japan to North Korea.

Professor Izmi Hazime addressed factors which could trigger a crisis should the nuclear standoff continue to drag on. He said the major factors are whether North Korea could endure extreme economic difficulties and whether the United States could tolerate the situation. He captured attention by saying that the world needs to prepare to use military power under the worst-case scenario.

An Pyong-chun, a professor at South Korea's Yonsei University, said that in order to settle the nuclear problem North Korea should remain in the NPT, accept special inspections and agree to mutual checks with South Korea.

"Although not desirable," he added, "we can think of economic sanctions by the U.N. Security Council on North

Korea. If the sanctions are imposed, Japan's exertion of its economic influence including suspension of remittances to North Korea is essential."

Socialist International Meets in Tokyo 11 May

*OW1105090194 Tokyo KYODO in English 0824 GMT
11 May 94*

[Text] Tokyo, May 11 KYODO—Socialist, social democratic and labor parties from all over the world meeting at a congress in Tokyo advocated Wednesday [11 May] that Japan and Germany become permanent members of an enlarged U.N. Security Council.

"The Socialist International supports an increase in the number of permanent members to include Germany and Japan as well as a number of regional representatives, whilst ensuring that the developing world is properly represented," representatives from 63 parties and organizations said in a resolution.

The Socialist International (SI) currently comprises 111 political parties and organizations worldwide.

Summing up the two-day congress at a news conference the SI president, former French Prime Minister Pierre Mauroy, noted that the Tokyo meeting aimed at listening to the concerns of Asian countries and at strengthening the socialist movement globally.

Cambodian Second Prime Minister Hun Sen and representatives from Bangladesh, Myanmar [Burma], Cambodia, Laos and India were among the special guests at the congress which focused on democracy and social development in the Asia-Pacific region.

Mauroy said the SI, given the rapid economic development in the Asia-Pacific, must expand relations with free labor unions to counter the excesses of "wild capitalism" and protect Asian workers from the "great misery" that Europe experienced during the industrialization in the 19th century.

Speaking at the same news conference, the former head of the Social Democratic Party (SDP) of Japan, Makoto Tanabe, who is SI vice president, pointed to the congress resolution on Asia, which singles out North Korea as a security risk for its suspected nuclear weapons program.

"North Korea, which is defying the demand of the U.N. that it implement comprehensive safeguards measures, can never gain the support of the international community," the resolution said.

The SDP has long maintained friendly relations with North Korea. However, Tanabe said, "on these issues we express, of course, our agreement to this resolution."

Tanabe called on Pyongyang to allow inspections by the International Atomic Energy Agency (IAEA) and on other countries to intensify efforts to dissuade North Korea from developing nuclear weapons.

PRC Joins Association of Tin Producing Countries

*BK0105131894 Bangkok ZHONG HUA RIBAO in
Chinese 30 Apr 94 p 3*

[Text] At 1100 on 29 April, Sukhum Ratsamithat, director general of the Foreign Ministry's Economic Affairs Department, presided over the signing of an agreement at the Foreign Ministry under which China joined the Association of Tin Producing Countries. Chinese Ambassador to Thailand Jin Guihua signed the agreement establishing the Association of Tin Producing Countries on behalf of the Chinese Government. Also present at the signing ceremony were Indonesian and Malaysian representatives and officials from the Mineral Resources Department and the Foreign Ministry.

The signing ceremony took place in Thailand because the Thai Foreign Ministry is the depository of the agreement. The Association's membership increases from seven to eight with China's accession. The other seven members of the Association are Australia, Bolivia, Indonesia, Malaysia, Nigeria, Zaire, and Thailand. All of these countries have joined the Association since 1983.

The Foreign Ministry pointed out that it is good that China has joined the Association. Previously, China was only an observer of the Association even though it is the largest tin producer. China's membership will strengthen the Association's position and bargaining power in talks with tin consuming countries to solve problems with tin oversupply and falling tin prices jointly.

The establishment of the Association of Tin Producing Countries was aimed at ensuring fair tin prices and supplies and enhancing cooperation in tin marketing and tin resources research and development.

The Association also agreed upon three conditions for China to join the Association:

1. China will report its tin exports to the Association every quarter.
2. China will pay a membership fee in proportion to its tin exports.
3. China will temporarily not be invited to join the International Tin Research Association.

Deputy Premier Opens ASEAN Ministers Meeting

BK1605154294 Singapore Singapore Broadcasting Corporation in English 1100 GMT 16 May 94

[Text] ASEAN views attempts by developed nations to link social issues to trade agreements as another form of protectionism. This is because of the greater concern of such countries with how their workers can cope with competition from developing countries.

Deputy Prime Minister Brigadier General Lee Hsien Loong made the point at the opening of the 10th ASEAN labor ministers meeting in Singapore. Gen. Lee said ASEAN must resolutely oppose attempts in international forums to increase any unreasonable standards and practices. These ignore the different stages of development and the different economic, political, and cultural context of the developing countries. He noted that ASEAN governments had adopted a non-adversarial approach to labor relations. Instead of compromising workers' rights, it in fact assures workers of more secure jobs and higher standards of living. As ASEAN's economies develop, this approach will have to revolve to meet change and needs, but the pace and direction of that revolution must be decided by the ASEAN countries themselves.

Indonesian Province Joins ASEAN 'Growth Polygon'

BK1905081294 Manila BUSINESS WORLD in English 17 May 94 p 2

[Text] South Sulawesi, a province of Indonesia, recently signed a memorandum of understanding for the East ASEAN growth polygon (EAGP).

The EAGP is an economic cooperation of 12 focus areas in the East ASEAN region. Its main aim is to promote trade

and investment in the region through mutual and beneficial endeavors that include shipping, transportation and communications, agriculture, fisheries, agro-forestry, industries, and tourism.

With a total land area of six million hectares, primarily composed of agricultural and forest lands, South Sulawesi occupies about 42 percent of the Sulawesi Island. Its main source of livelihood is agriculture, fishery, and agro-forestry.

An annual economic growth rate of 5.6 percent has made South Sulawesi one of the most attractive investment areas in the East ASEAN region. A high rate of productivity has made the province a leading exporter of rice. In 1991, it recorded 1.4 million tons of rice surplus.

However, the agriculture sector lacks the facilities for agri-processing that can transform harvests into high-value goods. But the high potential remains in the non-traditional crops like coffee, cocoa, cashew nut, candle nut, crude palm oil, and others.

The fishery sector also poses a high potential area for investment particularly in prawn production, frozen shrimp, and cuttle fish. Again, processing of these products is needed to further boost the fishery industry.

Livestock production shows great potential particularly cattle, goat, sheep, hog and poultry raising, both for domestic and export consumption.

Export of forest products has likewise a big potential because of the abundance of forest resources in this Indonesian province, covering about 3.6 million hectares.

Mekong Committees Hold Regular Meeting 7 May

BK1105090594 Hanoi VNA in English 0650 GMT 11 May 94

[Text] Hanoi VNA May 11—Mekong Committees of Cambodia, Laos and Vietnam met in Ho Chi Minh City on May 7 to consolidate the traditional friendship and cooperation between the three countries, and discussed issues of mutual concern which are relating to the river.

Japan

Japanese-U.S. Economic, Trade Relations Discussed

Hata on Desire for Healthy Relations

OW1905033794 Tokyo KYODO in English 0321 GMT
19 May 94

[Text] Tokyo, May 19 KYODO—U.S. Ambassador to Japan Walter Mondale on Thursday voiced hope for a successful conclusion of stalemated trade negotiations between the two countries, a Foreign Ministry official said. In a meeting with Prime Minister Tomuro Hata, Mondale said he strongly hopes a planned meeting between U.S. and Japanese trade officials in Washington on Thursday will successfully find ways to resume the stalled economic framework talks, the official told reporters.

The meeting, involving senior officials from Japan's Ministry of International Trade and Industry and the Foreign Ministry and their U.S. counterparts, marks the first attempt by the new government in Tokyo to resolve differences with Washington over the stalled trade talks. The U.S. envoy also reportedly spoke of the need for both sides to try to flexibly meet each other halfway in a bid to restart the negotiations on establishing a new framework for bilateral trade.

Noting that healthy economic relations between the two economic superpowers is crucial, Hata also expressed hope for early resumption of the framework talks, the official said.

The bilateral negotiations on ways to widen foreign access to the Japanese market were suspended after the two countries clashed at the February meeting of U.S. President Bill Clinton and then Prime Minister Morihiro Hosokawa in Washington.

At the summit, Hosokawa rejected U.S. proposals for "objective criteria" or numerical targets to measure the progress of Japanese imports.

Mondale and Hata also agreed on the need for cooperation between the U.S. and Japan to encourage North Korea to remove concerns about the communist country's suspected nuclear weapons development program, the official said.

EPA Comments on U.S. Trade Policies

OW1905111394 Tokyo KYODO in English 1105 GMT
19 May 94

[Text] Tokyo, May 19 KYODO—Recent U.S. trade policies are based on the free trade principle, Japan's Economic Planning Agency [EPA] said in a report Thursday, softening its earlier assessment that the policies are protectionist.

In the report, the EPA said the recent trade policies, which provide for ample funds for research and development in the high-tech area, are effective in giving a competitive edge to U.S. industries and in boosting the economy.

It is necessary for world trade partners, however, to establish international rules on government subsidies for high-tech projects in order to head off "subsidy competition," the agency said.

The EPA acknowledged that the U.S. trade policies are generally based on free trade principles and promoting market opening by its world trade partners.

But U.S. antidumping legislation is protectionist and blocks the rational pricing of goods by foreign companies that mass produce their goods and sell in bulk, the EPA said.

The U.S. antidumping policy should be discussed at the General Agreement on Tariffs and Trade (GATT), it added.

The EPA report was compiled by private-sector experts and academics on trade.

Reportage on Tokyo, Washington Framework Talks

Talks Resume 19 May

OW1905140594 Tokyo KYODO in English 1321 GMT
19 May 94

[By Antonio Kamiya]

[Text] Washington, May 19 KYODO—Japan and the United States began an exploratory round of trade talks Thursday [19 May] aimed at breaking a three-month deadlock on how to widen foreign access to the Japanese market and reducing Japan's vast trade surplus.

The meeting came amid fresh government data that showed the U.S. trade deficit with Japan jumped 25.4 percent in March to 5.80 billion dollars. The U.S. posted a record 59 billion dollar deficit with Japan last year.

Both Japanese and U.S. officials were cautious in predicting the outcome of the day's trade meeting at the Office of the U.S. Trade Representative.

"We will not know anything until we meet," said Sozaburo Okamatsu, Japan's vice trade minister for international affairs.

Okamatsu made the brief remark to reporters as he and Sadayuki Hayashi, deputy foreign minister for economic affairs, entered the office.

The Americans sounded equally cautious.

"We will have to wait and see what the Japanese officials bring," a senior U.S. official told reporters on condition of anonymity Wednesday.

At stake is the fate of the accord the two countries concluded in July last year to set up a new framework for bilateral trade designed to widen the access of foreign goods to Japan and reduce Japan's global trade surplus.

Negotiations on how to implement the terms of the framework agreement broke down in February when Japan

refused to accept the U.S. definition on "objective criteria" for measuring Japanese imports.

The rupture of the trade negotiations, which came at the Feb. 11 summit in Washington between President Bill Clinton and then Prime Minister Morihiro Hosokawa, shook financial markets and at one point sent the U.S. dollar close to a record low against the yen.

Clinton and other senior U.S. officials have since made what appeared to be conciliatory remarks on bilateral trade ties, but officials in Tokyo say they are uncertain about Washington's intentions.

U.S. Trade Representative Mickey Kantor told reporters during a visit to Congress on Wednesday that the U.S. has not budged.

"Our position is exactly as it was in February. It has not changed at all," Kantor said.

Treasury Undersecretary for International Affairs Lawrence Summers, a member of the U.S. team involved in the trade talks with Japan, also insisted that the U.S. has not changed its position.

"I think (our) position has been consistent," Summers said in a separate meeting with reporters.

But Summers conceded that Washington will keep an eye on the shaky political situation in Tokyo when U.S. officials sit at the negotiating table with Japanese officials.

"Clearly, as we go forward in the negotiations, we have to recognize the political situation in Japan, and that obviously is one of the factors that goes into the strategy," he said.

While both Tokyo and Washington seem eager to get the framework talks back on track by the time Prime Minister Tsutomu Hata meets Clinton at the Group of Seven (G-7) summit of industrialized nations in Italy in early July, U.S. officials say there is no deadline for a deal.

"We are not putting any artificial deadline on them. We think that would be a mistake," a senior U.S. trade official said.

Follow-Up Meeting on Paper Trade

*OW1905120194 Tokyo KYODO in English 1126 GMT
19 May 94*

[Text] Tokyo, May 19 KYODO—Japan and the United States held regular consultations Thursday [19 May] in Tokyo on ways to improve foreign access to Japan's paper market.

The biannual meeting was held to evaluate implementation of a set of measures both parties agreed during the paper trade talks in April 1992.

A U.S. official who attended the meeting told reporters that the two countries discussed "several areas" of the world's second largest paper and paperboard market. But he refused to disclose the contents of the talks.

The official, speaking on condition of anonymity, only said, "we have yet to see results confirming a substantial increase in foreign access to the Japanese market."

The official said the foreign share of the Japanese paper market was only 3.9 percent at the end of 1993, up only 0.2 percentage point from 1991. The official cited what Washington views as "the highly structured distribution system" and "discriminatory corporate purchasing practices" as major factors to thwart smooth American penetration of the 32 billion dollar market.

Due to these "systemic obstacles, persistent and strong efforts by the world-class competitor" in other markets have not been rewarded, the official said.

U.S. Commission Charges Country With Dumping

Nippon Steel Regrets U.S. Charges

*OW1905041094 Tokyo KYODO in English 0218 GMT
19 May 94*

[Text] Tokyo, May 19 KYODO—Nippon Steel Corp. expressed regret Thursday [19 May] at a U.S. International Trade Commission ruling that Japanese steelmakers are selling certain steel products in the U.S. market at unfairly low prices.

"It's regrettable that our argument was not understood, but this is the ITC's final ruling, so we'll consider what to do in the future by considering the implications of it," a Nippon Steel official said.

At stake in the ruling are two types of special steel—grain-oriented steel and stainless angle used in heavy electrical machinery and the construction industry.

Steelmakers May Appeal

*OW1905060394 Tokyo KYODO in English 0409 GMT
19 May 94*

[Text] Tokyo, May 19 KYODO—Nippon Steel Corp. and Kawasaki Steel Corp. may file an appeal with the U.S. Court of International Trade, complaining that they have caused no damage to the steel market in the United States, officials of the companies said Thursday [19 May].

Such a move would be in response to a ruling by the U.S. International Trade Commission (ITC) that the Japanese steelmakers are selling certain steel products in the U.S. at unfairly low prices.

A Nippon Steel official said, "Our company has shipped only special steel which is not manufactured by U.S. makers. The ITC's final decision is beyond our understanding."

Kawasaki Steel said ITC's decision will damage U.S. companies which have steadily imported steel products from Japan.

The company commented that if such unreasonable anti-dumping actions are frequently taken, it will damage the mutual goal of maintaining long-term global stability in steel trade.

Japanese Bank To Suspend Dollar Payment to DPRK

Banks Halt Remittances

*OW1905040994 Tokyo KYODO in English 0255 GMT
19 May 94*

[Text] Tokyo, May 19 KYODO—Japanese banks have suspended handling remittances of dollars to North Korea following allegations that such money might have been used for development of nuclear weapons, banking sources said Thursday [19 May].

The move follows a decision by a bank handling most of the money remitted to North Korea not to serve as an intermediary on behalf of other Japanese banks, the sources said.

Ashikaga Bank, a regional bank based in Tochigi Prefecture, has told other Japanese banks that it would not remit dollars to North Korea for them, the sources said.

Some of the Ashikaga Bank's customers are Korean residents of Japan who use the bank to remit money to North Korea as the bank is a main bank for a North Korean-born owner of a pachinko machine maker, the sources said.

Ashikaga Bank issued statements that the bank stopped intermediating with other banks in remitting dollars to North Korea some time ago, but is still handling such transactions by its own customers.

The bank also said it is not the sole bank in Japan that is handling money transactions to North Korea.

But a Finance Ministry official confirmed the suspension of dollar remittances to North Korea, describing it as a voluntary action.

"It's each bank's own decision to suspend remittance of dollars. Remittance of money in yen and (German) marks is still carried out as in the past, so I don't believe (banks) are discriminating against North Korea in money remittance," the official said, speaking on condition of anonymity.

The United States has reportedly asked Japan to regulate remittance of money to North Korea as Pyongyang is suspected of using the money to promote its alleged nuclear weapons program.

It is not known how much money is actually remitted to North Korea from Japan, but trade and banking sources estimate the sum at 60 billion yen a year, including trade bills.

Then-Prime Minister Morihiro Hosokawa pledged in February to take appropriate action if the UN Security Council adopts a resolution calling for economic sanctions against North Korea.

Asked at a news conference about the reported suspension of dollar remittances to North Korea from Japan, Chief Cabinet Secretary Hiroshi Kumagai said the government will look into the matter. He did not elaborate.

Kumagai Confirms Remittance Halt

*OW1905090494 Tokyo KYODO in English 0850 GMT
19 May 94*

[Text] Tokyo, May 19 KYODO—Chief Cabinet Secretary Hiroshi Kumagai said Thursday [19 May] Japanese banks have suspended remittances of dollars to North Korea, but he denied suggestions the move was in response to pressure from the government. The government understands that the banks decided to suspend the remittances for operational reasons, he said.

The United States urged Japan last month to regulate the flow of hard currencies to North Korea, which is suspected of using the funds to promote a clandestine nuclear weapons program.

It is not known how much money is remitted to North Korea from Japan, but trade and banking sources estimate the sum at 60 billion yen a year, including trade bills.

Vice Finance Minister Jiro Saito denied at a scheduled evening press meeting that his ministry gave any instructions to Ashikaga Bank to stop the remittances.

Asked if he has confirmed that with the bank, Saito said the ministry's Banking Bureau had no idea about it when he contacted the bureau, and added that he has not heard anything further.

Country Seeks Full Nuclear Inspections in DPRK

*OW1905084794 Tokyo KYODO in English 0839 GMT
19 May 94*

[Text] Tokyo, May 19 KYODO—Japan is strongly seeking North Korea's acceptance of full international inspections of its nuclear sites suspected of being used to produce nuclear weapons, Chief Cabinet Secretary Hiroshi Kumagai said Thursday.

"We think North Korea has yet to allay concerns that it is diverting its nuclear materials for military use," the top government spokesman told a news conference. "We therefore want North Korea to accept in earnest full nuclear inspections demanded by the IAEA (International Atomic Energy Agency)," he said.

The IAEA, the Vienna-based international nuclear watchdog, has started monitoring the changing of fuel rods at a 5-megawatt experimental nuclear reactor in Yongbyon, some 90 kilometers north of the North Korean capital. But it is suspected that Pyongyang has already started the process of removing spent fuel rods from a nuclear reactor despite warnings that international monitors need to be present.

Tokyo To Slow Plutonium Use Due to Foreign Criticism

*OW1805133794 Tokyo KYODO in English 1316 GMT
18 May 94*

[Text] Tokyo, May 18 KYODO—Japan's top nuclear policy board unveiled a plan Wednesday [18 May] to slow down remarkably its plutonium use for nuclear recycling,

facing criticism from abroad and domestic circles that Tokyo may develop nuclear arms out of the substance.

The Atomic Energy Commission has worked on revising Japan's long-term nuclear energy policy, in which the country's plutonium use would be considerably delayed from the current program.

Aside from the criticism, the changes in the policy are being made as it has become less necessary for Japan to hastily make use of plutonium energy as prospects for future uranium supplies have brightened, officials said.

The committee headed by Science and Technology Agency chief Mikio Omi will draw up a final plan by the end of June, they said.

The new program requires Japan to reprocess spent nuclear fuel as the need arises so that excess plutonium would not be produced, and to store excess spent nuclear fuel for a long period, the officials said.

Under the current plan set in June 1987, spent nuclear fuel would be swiftly recycled into plutonium and be reused.

The new policy does not change the government's fundamental stance that it is indispensable for Japan to establish a nuclear energy recycling system as the country has only scarce energy resources, they said.

Another point of the plan, to recycle all of the country's spent nuclear fuel, is also kept intact, they said.

Japan will proceed with only limited nuclear recycling for the moment, however, including some recycling of plutonium in light water reactors, they said.

The country's long-term nuclear energy policy was drawn up for the first time in 1956 and is revised every five years by the committee.

The current program calls for Japan to put into operation a reprocessing plant in the village of Rokkasho, Aomori Prefecture, now under construction and expected to be completed by around 2010.

But the new policy cites that the scale and other plans on the plant will be decided by 2010, the officials said.

Japan's only reprocessing plant is being operated in Tokai-Mura, Ibaraki Prefecture, and the Rokkasho plant would be the second in operation.

The Tokai-Mura plant has had frequent problems and has not begun full operation. The delay in operation of the Rokkasho plant would leave Japan with large quantities of spent nuclear fuel.

But Japan will store the fuel until the country is able to recycle in the future, they said.

Japan will also back down from its current policy on development of fast breeder reactors, they said. The planned start of construction of a demonstration fast breeder reactor will be delayed from the late 1990s to the early 2000s, they said.

The launch of a commercial fast breeder reactor was not changed from the current target of around 2030. But fast breeder reactors will be consistent with light water reactors under the new plan, in comparison with the current policy in which they are placed as Japan's future main reactors, they said.

Also, Japan will not breed plutonium as long as fast breeder reactors are at the experimental level, the officials said.

Japan's prototype fast breeder reactor "Monju" reached criticality in April, the point at which the reactor's fissionable material is capable of sustaining a chain reaction at a constant level.

Monju, in Tsuruga, Fukui Prefecture, can breed more plutonium than it consumes, causing several countries abroad to express concern that Japan may use the substance for future nuclear armament.

As a result of the changes in fast breeder reactor development, Japan's amounts of both supply and demand of plutonium by 2010 would be reduced to between 69 and 79 tons, the officials said.

The current plan said the amount of the supply would be 85 tons and demand 80-90 tons.

Plutonium To Be Moved by Sea 100 Times in Decade

OW1805142794 Tokyo KYODO in English 1409 GMT 18 May 94

[Text] Tokyo, May 18 KYODO—Japan will have to transport plutonium by sea more than 100 times over the next decade under its plans to have its spent nuclear fuel recycled in Europe, a Tokyo-based antinuclear institute said Wednesday [18 May].

Jinzaburo Takagi, head of the Citizen's Nuclear Information Center, said, "ships loaded with radioactive substance will make the round trip between Europe and Japan in a period shorter than a month."

The frequent transportation would result in harsh criticism from countries along the ships' route, he said.

The Japanese freighter Akatsuki Maru carried plutonium from France back to Japan from November 1992 to January 1993, sparking widespread protests both at home and abroad.

Japan has signed contracts to have about 7,100 tons of spent nuclear fuel recycled into plutonium in Britain and France.

Under the center's calculation, 45 tons of plutonium will be produced from the spent fuel by around 2010.

Also, Japan will have to take back about 3,200 cylinders of vitrified high-level radioactive waste and 150,000 drums of low-level radioactive waste, that are produced in the recycling process, they said.

The 45 tons of plutonium must be transported by sea in 20 shipments, high-level radioactive waste in 30-60 shipments and the low-level radioactive waste in 50-150 shipments, they said.

Takagi criticized the government for having made only limited preparations to accept the waste as it has decided merely to store 1,440 cylinders of vitrified waste at a reprocessing facility now under construction in the village of Rokkasho, Aomori Prefecture, he said.

Government Urged To Act Over Rights in Burma

OW1805121594 Tokyo KYODO in English 1200 GMT 18 May 94

[Text] Tokyo, May 18 KYODO—A group of more than 500 Japanese lawmakers urged the government of Prime Minister Tsutomu Hata on Wednesday [18 May] to help protect the human rights of people in Myanmar [Burma] and establish civilian rule in the country.

House of Representatives member Shokei Arai told a news conference he visited Chief Cabinet Secretary Hiroshi Kumagai at the premier's official residence and handed him a copy of a petition signed by 508 Japanese legislators.

The letter calls for the "immediate and unconditional release" of Myanmar's opposition leader Aung San Suu Kyi and all political prisoners in Myanmar as well as a "swift and complete implementation of a transition to civilian rule."

While noting that Tokyo has been demanding the release of the Nobel Peace prize laureate, Kumagai reportedly vowed greater efforts to make Myanmar become a democratic nation.

Arai, a member of the new party Jiyuto (Liberals) headed by Foreign Minister Koji Kaikawa, said he and his associates plan to send the petition to U.N. Secretary General Butrus Butrus-Ghali, if possible by late July, when Suu Kyi was originally expected to be released from house arrest.

It will be the second such letter by Japanese politicians to the U.N. chief, following one by 374 Diet members sent to Butrus-Ghali in March 1993.

Last April, 422 Diet members urged the government to put pressure on Myanmar to release Suu Kyi.

A founder of the National League for Democracy (NLD) which won the 1990 general election by a landslide, Suu Kyi has been under house arrest since July 1989.

She was expected to be freed July 19 this year from her five-year detention, the maximum period allowed under law.

But in February the ruling junta, which refused to hand over power five years ago, said it regards the first year of her detention as an "arrest period" and full detention was not imposed until July 1990. She is now expected to be freed in July 1995.

Police Arrest 'Gangster' for Smuggling Chinese

OW1905003794 Tokyo KYODO in English 2323 GMT 18 May 94

[Text] Fukuoka, May 19 KYODO—Police took a 27-year-old Japanese gangster into custody early Thursday [19 May] in connection with an alleged Chinese smuggling case in which 138 Chinese suspects have been arrested on suspicion of illegally entering Japan.

Police officials identified the Yakuza as Ryuji Abiru, who was found with the 138 Chinese Wednesday in a warehouse at Hakata port in Fukuoka in Japan's southernmost main island of Kyushu.

The Chinese were apprehended along with Abiru, who was carrying a Japanese driver's license.

Fifteen of the 138 Chinese were women, police said.

Fukuoka prefectural police raided offices and other locations early Thursday to determine if the alleged smuggling case was part of a massive scheme to bring in Chinese and other foreigners for cheap labor.

Police raided the warehouse Wednesday after receiving a tip from a citizen who suspected there was a group of foreigners in the building.

Two temporary toilets had been built in the warehouse, which was leased to a man who reportedly described himself as an "importer."

One of the Chinese earlier said, "we have come to find jobs in Japan. We are victims."

74 Chinese Arrested for Illegal Entry

OW1805160494 Tokyo KYODO in English 1512 GMT 18 May 94

[Text] Fukuoka, May 18 KYODO—Police arrested 75 out of the 139 people who were found at a warehouse in southern Japan on Wednesday [18 May] on suspicion of illegally entering Japan. The group included one Japanese and the rest appear to be all Chinese, police said.

Police found the group of 139 people, including 15 women, when about 100 officers raided the warehouse at Hakata port in Fukuoka after receiving a report from a citizen who suspected there was a group of foreigners in the building.

Two simple toilets had been built in the warehouse, which was leased to a man who reportedly described himself as an "importer." Answering a reporter's question in Chinese, one of the group said, "We have come to find jobs in Japan. We are victims."

Earlier in the day, police arrested a 20-year-old Chinese woman in the city on suspicion of having illegally entered Japan. Police searched around Hakata port after the woman said she has come to Japan with some 150 Chinese nationals. The woman, who did not carry a passport, said she left China at the end of April in a group of 150 Chinese.

A Chinese broker has told her that she could earn 300,000 yen a month in Japan, she said. They twice changed ships

at sea and were put on a Japanese fishing boat before arriving in Japan on Wednesday, according to her account. She said they missed the cars that were supposed to meet them, and did not know where they were.

Assemblies Urge Application of 200-Mile Zone

OW1805090594 Tokyo KYODO in English 0840 GMT 18 May 94

[Text] Tokyo, May 18 KYODO—Local assemblies across Japan have called on the government to assert Japanese sovereignty within the country's 200-nautical-mile territorial waters, fisheries organization officials said Wednesday [18 May].

Officials of the National Federation of Fisheries Cooperative Associations said that so far assemblies of 22 prefectures and 274 cities, towns and villages have passed resolutions or issued statements to that effect since September.

They said that more assemblies are intending to move likewise to urge the government to put an end to poaching in territorial waters by fishermen from such countries as South Korea and China.

The officials said Japanese fishing communities are suffering greatly from losses of revenue due to the government's lax enforcement.

Japan declared a 200-nautical-mile exclusion zone in 1977, but does not apply it in the case of South Korea and China, with which it has territorial disputes.

South Korean and Chinese fishermen have taken advantage of this, trawling for crabs, squid and flatfish as close as 12 nautical miles off the coast, they said.

They ignore regulations that Japanese fishermen must abide by and use methods that damage maritime resources, officials said.

Reactions to Hikes in Public Utility Charges Reported

Halt to Hikes Welcomed

OW1805115494 Tokyo KYODO in English 1125 GMT 18 May 94

[Text] Tokyo, May 18 KYODO—A top business leader on Wednesday [18 May] welcomed the government's decision to shelve planned hikes in public service charges.

Takeshi Nagano, president of the Japan Federation of Employers' Associations (Nikkeiren), told reporters the decision will do good for the nation's economy.

On Tuesday, he urged Construction Minister Koji Morimoto to delay the planned rise in Japan's highway toll fares, saying public charge increase will trigger hikes in workers' wages and invite an upward spiral in both wages and prices.

Earlier Wednesday, Prime Minister Tsutomu Hata instructed his aides to halt "until the end of year" planned

hikes in the rate of domestic telephone charges and in rent for public housing, as well as taxi fares and highway tolls.

Local governments are to be asked to refrain from raising fees for buses and subways.

Nagano said, "I am surprised and glad that the government halted raises in not only highway tolls but also other public charges."

He was calling for the freeze to last for two years, "but I won't complain that the suspension is until the end of year," Nagano said.

He said he is still willing to testify at a public hearing over the proposed rise of an average 10.4 percent in highway tolls if it is held on next Tuesday as scheduled.

Hata Moves To Rally Support

OW1805130694 Tokyo KYODO in English 1247 GMT 18 May 94

[Text] Tokyo, May 18 KYODO—Prime Minister Tsutomu Hata moved to rally public support for his precarious minority government Wednesday [18 May] by announcing a freeze on planned hikes in public service charges.

Chief Cabinet Secretary Hiroshi Kumagai announced at a press conference a sweeping freeze until the year-end of raises in public charges, including domestic telephone charges, public housing rent, taxi fares and tolls for the nation's expressways.

It was the first such wide-ranging freeze on public charge hikes since 1964, when the government was combating strong inflationary pressure.

The announcement was made amid an increasingly vocal broadside from the public and business to the planned hikes.

On Tuesday, Takeshi Nagano, president of the Federation of Employers Associations (Nikkeiren), urged Construction Minister Koji Morimoto to freeze the planned raise in tolls for the nation's highways for two years.

The leading business mogul excoriated the government over the plan, arguing a hike in the tolls would put a big damper on the nation's flagging economy.

The move was prompted by concerns in the government that the planned series of public charge raises could cast a pall over the nascent recovery of the economy as well as by public criticism, government sources said.

It is also Hata's apparent bid to rally public support for his government in the face of the opposition's relentless attack on his shaky political standing, analysts said.

Kumagai made clear at the press conference it was a "political decision" by Hata.

He said the premier, "with reckless valor," made the decision after taking into consideration "the criticism from every corner" of the proposed hikes.

"The people are displeased with the planned charge hikes," Kumagai said, adding, "we have to respond to the people's voices."

He said the government will also ask local authorities to follow the government's example and not raise public-sector bus and subway fares.

Asked about the decision, to be endorsed at a cabinet meeting Friday, Hata said it is the government's response to the criticism that it is too willing to raise charges for its services while the private sector is going through a tough restructuring to tide over the slump.

Hata also hinted the move is designed to sweeten the government's proposed tax reform, which is expected to include a hike in the consumption tax.

"Well, we will have to obtain support for the tax reform and some other things," he said.

Political pundits were skeptical of the move, calling it a claptrap.

"It is a stopgap effort to gain popularity. (Hata) is simply pulling the wool over the people's eyes," said Makoto Sataka, a social commentator.

Hata heads the first minority government in four decades.

The Liberal Democratic Party (LDP), the largest bloc in the opposition camp, has signaled it will submit a motion of no-confidence in the government after the overdue state budget for fiscal 1994 passes the Diet.

The Social Democratic Party (SDP), the second largest opposition group and a partner in the ruling coalition of Hata's predecessor Morihiro Hosokawa, has also called for an early general election for the House of Representatives.

The move is also aimed at selling Hata's "strong leadership" and his compassion for people's hardships as a snap election grows more likely, analysts said.

Business and consumer groups, however, mostly welcomed the decision.

Nikkeiren's Nagano said at a press conference it will benefit the Japanese economy. "I am happy to hear the news. It is good for the economy," he said.

A senior executive of a major chemical company said, "I really appreciate Mr. Hata's decision."

Some companies and government ministries, however, were perplexed by the sudden decision to freeze the public charges.

An official of the Transport Ministry, which supervises the taxi industry, said, "it was a bolt out of the blue. I cannot comment until we receive an official notice."

A taxi company executive said, "we will be in trouble if the taxi fare hike is not permitted. But...we cannot revolt against the order."

Kosaku Yamada, who heads Japan Highway Public Corp., which has planned an average 10.6 percent hike in highway tolls, said, "we can do nothing but to accept the government decision."

Nonlife insurance companies were also rocked by the freeze, which covers fire insurance premiums.

"I was really surprised by the sudden announcement," said Takashi Onoda, head of the Marine and Fire Insurance Association of Japan.

Some government economists voiced skepticism over the move.

"It is a political decision by the cabinet. If the hikes are postponed the margin of raises may have to be larger later," said Koichi Tani of the Economic Planning Agency.

"(The decision) is undesirable from an economic policy point of view. The planned hikes would not have put a major drag on consumption."

The Liberal Democratic Party (LDP), the No. 1 opposition party, also took a dim view of the move.

"It is a mere postponement. The hikes in the next year may be larger than planned," said Ryutaro Hashimoto, chairman of the LDP's Policy Affairs Research Council. It should be called "claptrap," Hashimoto said.

Hata Orders Freeze on Service Charges

OW1805095694 Tokyo KYODO in English 0827 GMT 18 May 94

[Text] Tokyo, May 18 KYODO—Prime Minister Tsutomu Hata on Wednesday [18 May] instructed his aides to freeze the hikes in public service charges until the end of the year, Chief Cabinet Secretary Hiroshi Kumagai said.

The planned move is intended to stem the rate increases in domestic telephone charges, the rent for public housing, taxi fares, tolls for the nation's expressways and fire insurance premiums, the top government spokesman told a news conference.

The government will also ask local autonomies to refrain from raising fees charged for their bus and subway services, Kumagai said.

The premier ordered Kumagai and Economic Planning Agency Director General Yoshio Terasawa on Tuesday to move quickly to carry out the measure.

The cabinet will approve the scheme at its regular meeting on Friday, according to Kumagai.

Hiraiwa Urges Cost Cutting

OW1905084194 Tokyo KYODO in English 0722 GMT 19 May 94

[Text] Tokyo, May 19 KYODO—The chairman of the Federation of Economic Organizations (Keidanren) on Thursday [19 May] urged telecommunications, taxi and other public service operators to make stepped-up cost-cutting efforts to prevent a hike in their charges.

Gaishi Hiraiwa, head of Japan's top business lobby, told reporters the government's decision to freeze hikes in public service charges until the end of the year is laudable but added further cost-cutting efforts are needed to forestall future hikes.

The government said Wednesday it will suspend until the end of this year a plan to raise public service charges, including public transportation fees, highway tolls and telephone rates.

MITI Vice Minister Praises Freeze

*OW1905084094 Tokyo KYODO in English 0654 GMT
19 May 94*

[Text] Tokyo, May 19 KYODO—Hideaki Kumano, vice minister of international trade and industry, said Thursday [19 May] the government's decision to freeze hikes on public service fees is "appropriate."

The decision was made taking into account various factors facing the private sector, including business restructuring efforts, Kumano told a news conference.

Implementation of the rate hikes at a time when the economy is still in a slump would affect industrial activity in Japan, Kumano said.

The government announced Wednesday it will suspend until the end of this year a plan to raise public services charges, including public transportation fees, highway tolls, telephone rates and rent on government-owned houses.

Meanwhile, Kumano voiced regret over gasoline sales by an unlicensed gas station near Nagoya in defiance of government instructions. The gas station should get a government permit at an early time by agreeing to undergo proper procedures, Kumano said.

The gas station in question on Wednesday began selling gasoline at prices very low for Japan, and motorists flocked to fill up. The Ministry of International Trade and Industry did not issue a business license for the station because it did not clarify the wholesale routes of its products, one requirement for operating a gas station. A government advisory panel is now studying whether or not the requirement should be scrapped as part of deregulation, Kumano said.

Press Welcomes Hata's Decision

*OW1905063594 Tokyo KYODO in English 0556 GMT
19 May 94*

[Text] Tokyo, May 19 KYODO—Leading Japanese newspapers in their editorials Thursday [19 May] supported Prime Minister Tsutomu Hata's freezing of the planned hikes in public service charges until the end of the year. The NIHON KEIZAI SHIMBUN called the government's decision "a natural measure." The business daily said it welcomes the decision because "raising public service charges has the same effect as raising taxes, and the government is facing a necessity to reduce taxes to promote consumption and get over the recession." It also said

the recent rush of planned hikes in public service rates seems to have been done easily without satisfactory explanation, taking advantage of the disorder in the government to hoodwink the public. It called on public utilities to take rationalization measures as private companies do, and to disclose their business structures and try to obtain public understanding when they plan to increase charges.

The ASAHI SHIMBUN also said the decision to shelve the planned increase in public service charges is natural, although it was abrupt. The ASAHI said the decision came late because postal charges and the tolls for Tokyo expressways have already been increased, but said it supports the decision. It urged public service companies to work on a drastic restructuring during the time the freeze is in effect.

The MAINICHI SHIMBUN said it understands the decision by Hata although his aim is not so clear, and said not many citizens object to it. But the MAINICHI warned Hata that consumers will be very angry if public service charges are raised by a margin higher than the current increase plans after the freeze ends.

NTT, Others Embarrassed by Freeze

*OW1805122594 Tokyo KYODO in English 1207 GMT
18 May 94*

[Text] Tokyo, May 18 KYODO—An abrupt government decision Wednesday [18 May] to freeze hikes of public service charges until the year-end came as a surprise to Nippon Telegraph and Telephone Corp. (NTT) and other enterprises concerned, industry sources said.

Prime Minister Tsutomu Hata ordered the freeze and the government will ask local authorities to follow suit, Chief Cabinet Secretary Hiroshi Kumagai said.

NTT, which plans to raise basic telephone charges by an average 18 percent, said the company will follow decisions by public hearings and an advisory panel at the Posts and Telecommunications Ministry.

Company officials, however, said they were upset by the government's decision, which will have an impact on the company's business performance.

The nonlife insurance industry also said it was surprised by the decision. Takashi Onoda, head of the Marine and Fire Insurance Association of Japan, told reporters the industry was considerably upset by it.

The decision came as nonlife insurers applied to the Finance Ministry for approval of their plans to raise fire insurance rates, effective July 1.

Major nonlife insurance companies said they did not know immediately what impact the decision would have on their business.

Kohei Abe, president of the Federation of Electric Power Companies, said member companies will decide whether to revise utility charges at their own discretion.

The power companies will keep lower rates until September to return foreign exchange gains to consumers.

Further on Hata Demand for Single-Seat System

OW1805044194 Tokyo KYODO in English 0422 GMT
18 May 94

[Text] Tokyo, May 18 KYODO—Prime Minister Tsutomu Hata on Wednesday [18 May] urged parliamentary cooperation in speeding up the process of enacting an electorate redistricting bill so that an upcoming general election could be contested under the single-seat constituency system.

"Although I can invoke my authority to call a general election even under the current multiseat constituency system still in place, it is desirable for the election to be contested under the new system," Hata said.

Hata made the remark in a question-and-answer session in the House of Representatives Budget Committee.

Although the Diet legislated in January a package of electoral reform bills replacing the current multiseat system for the 511-member lower chamber with a mix of single-seat electorates and proportional representation, it requires the passage of the demarcation bill to allow the next election to be lawfully contested under the single-seat system.

At present, a government-appointed panel of experts are speeding up the task of splitting the nation's multiseat constituencies into 300 single-seat electorates.

Hata said, "I am aware that some citizens are demanding an early holding of the election to seek a public verdict on politicians in view of the fact that my new administration has been reduced to a minority government."

However, Hata said the legislation of the redistricting bill must precede the general election, saying, "it is crucial to firmly establish the (single-seat) system."

"The public feels that politics is in a hopeless situation and their feelings have caused low voter turnout ratios in various elections," he said.

On North Korea's alleged nuclear development program, Hata said Japan is trying to make contacts with Pyongyang through the Japanese Embassy in China to convey the international community's stance on the issue.

He said that if North Korea really opens itself to the world, the United States, South Korea, China and Japan can help it "develop its people's livelihood." Japan is ready to talk with North Korea "if talks are necessary," Hata said.

On the idea of "universal security" incorporated in policy accords among the ruling coalition parties, Hata said the idea is "very similar" to the collective security spelled out in the U.N. Charter.

Last Thursday, Hata told a House of Representatives plenary session that the Constitution prohibits Japan's involvement in collective defense, in answer to concerns that his government may move toward active military actions overseas.

Foreign Minister Koji Kakizawa addressed the committee and appeared to retract his earlier statements referring to reconsidering the interpretation of the war-renouncing Constitution by postwar governments that it bars participation in collective defense.

Kakizawa said he expected "wide-range discussion on what national security should be" and he would apologize and withdraw the remarks if the statements caused misunderstanding.

On another remark of his calling for early steps toward legislation for dealing with international crises, Kakizawa said he was referring to a possible emergency situation related to North Korea's suspected nuclear development project.

Kakizawa said he was not referring to "emergency legislation" that was once discussed to deal with a possible invasion of Japan.

Takemura Comments on Sakigake's Political Stance

OW1805124094

[Editorial Report] Tokyo FNN Television Network in Japanese at 2230 GMT on 14 May, in its "News 2001" program, carries a 30-minute interview with Masayoshi Takemura, head of Sakigake, by FNN announcer Yuji Kuroiwa and Megumi Sekito, attended by writer Yoshimi Ishikawa, political commentator Kenichi Takemura, and Keio University Professor Yoshiaki Kobayashi at the FNN studio in Tokyo.

Asked to clarify Sakigake's political stand, Masayoshi Takemura (hereinafter Takemura) says: "As I said during my Diet speech, we have responsibilities to fulfill because we worked with the Hosokawa administration in preparing the budget and enacting the laws. Therefore, we will act as a ruling party and cooperate with them as far as the budget and the laws are concerned, at least during the current Diet session." He adds: "However, as far as the Hata administration's new policies are concerned, we will carefully study them and make a decision as to whether or not we will support them. We will act as a wholesome opposition party close to the ruling parties. You can say we are an opposition party because we will be assuming a stand opposing the government in some cases and supporting it in others, depending on the issue at hand. We will act in conjunction with the ruling parties during the current Diet session and become a wholesome opposition party after that."

On the possibility of summoning former Prime Minister Hosokawa to the Diet to testify on the issue of his loan from Sagawa Kyubin, Takemura says that it may be inevitable. At the same time, Takemura also says that as a member of the former Hosokawa administration, he hopes that Diet testimony will be avoided.

Asked how Sakigake will respond if the Liberal Democratic Party (LDP) brings up a no-confidence motion in the Diet, Takemura answers: "We still have not thought that

far ahead." He says his party will not be interested in a no-confidence motion until the budget and the bills are approved."

On the issue of general elections, Takemura says: "We should complete the redrawing of electoral districts as soon as possible. I think the Diet should be dissolved after we form a new election system."

Turning to the issue of tax reform, Kuroiwa asks Takemura if his party is against the idea of increasing indirect taxes. In response, Takemura explains the need promote tax reform to cope with an aging society.

Kuroiwa then asks whether Sakigake attaches importance to relations with the United States. Takemura answers: "Of course we attach importance to relations with the United States. We cannot destroy the framework of our political and economic ties and military alliance with the United States."

Asked whether Sakigake thinks Japan should cooperate with the United States in imposing sanctions against North Korea without waiting for a UN decision, Takemura says that it is not a good idea to talk about this issue on the basis of assumptions. He continues to say: "Frankly speaking, I think that without China, our diplomatic or military policies toward the DPRK will have no effect."

Asked if Sakigake will form close ties with the LDP, Takemura says that his party will seek cooperation with the LDP in wide-ranging areas. He also says: "Our understanding is that the reorganization of the political world will be realized by involving the DLP."

Murayama on SDPJ's Policy on Diet, Coalition Ties

OW1805121294

[Editorial Report] Tokyo Asahi Newstar Television Network in Japanese at 1145 GMT on 8 May carries, during its weekly "Sunday Project" program, a 20-minute live interview with Tomiichi Murayama, chairman of the Social Democratic Party of Japan (SDPJ), by freelance commentator Soichiro Tahara. Murayama is at the "ABC Studio" in Osaka. "Insider" magazine chief editor Hajime Takano and Kyoto University Professor Masaaki Kosaka also interview Murayama.

At 1145 GMT, Tahara asks Murayama about Justice Minister Nagano's resignation over his remarks on the 1937 Nanjing massacre. Murayama says: "This is a matter of course." He adds: "We cannot say the prime minister has no responsibility for the confusion caused by Nagano's remarks. In that sense, we would like to ask the prime minister about his stance on the issue." Asked about cooperation with Hata's coalition government, Murayama says he has the impression that the Hata administration is taking a different view from the Hosokawa administration, noting recent remarks by ministers of the Hata cabinet. He says: "If the Hata administration promotes the reform line which it took over from the Hosokawa administration, we will cooperate with them on some issues. However, if the nature of the administration changes, then our position

may be different." Asked about SDPJ's stance as an opposition party, Murayama says his party needs to take the initiative in developing the political situation and promoting reforms to meet public expectations.

Tahara asks whether the SDPJ will be bound in the future by agreements reached among the previous coalition parties on the eve of the formation of the Hata cabinet. Murayama replies: "We should fulfill our engagements with the people. However, since these agreements were reached during the tenure of the coalition administration, we will not be bound by them regarding our former position as a ruling coalition party. From this viewpoint, the SDPJ will take its own stance on the issue." Discussing the tax issue, Murayama says that the consumption tax should be abolished and the issue of indirect taxes should be newly discussed in the process of tax reform.

At 1157 GMT, Takano asks Murayama about cooperation with the Liberal Democratic Party (LDP). In reply, Murayama says: "At the present, we have no ideas regarding the formation of an LDP-SDPJ alliance." He also rules out the possibility of the SDPJ returning to the coalition at present. Tahara asks: "With what kind of LDP can the SDPJ cooperate?" Murayama replies: "The LDP needs to sweep away its corrupt structure; to cut off the comfortable ties existing between politicians, bureaucrats, and businessmen; and to pursue politics in a democratic manner from now on." He also notes the need for discussions with the LDP regarding its views on the Constitution and what the state ought to be like.

Asked about the next general election, Murayama says: "I think the next election should be held under the new election system. However, if the administration's policies come to a deadlock and there is no choice but to dissolve the House of Representatives, elections under the current system will be inevitable." He says: "Because the draft budget was drawn up with our cooperation, we will cooperate with the coalition in passing the budget through the Diet. However, we will form free and unbiased policies on other issues."

At 1203 GMT, Kosaka asks for Murayama's opinion on what the latter believes the important issues in reform are. In addition to political reform, Murayama cites measures to prevent political corruption and the reform of Diet functions. Takano questions the Hata administration on its stance regarding the right to collective self-defense. Murayama says: "We would like to firmly question the Hata administration on its stance regarding this issue and the Constitution at an interpellation at the Diet session." Tahara asks Murayama: "What do you think of the remarks by Foreign Minister Kakizawa and Chief Cabinet Secretary Kumagai that an appropriate legislative measure should be taken in connection with North Korea's (DPRK) suspected nuclear weapons development?" In reply, Murayama stresses that it is inappropriate to create a situation in which North Korea is forced into isolation from the international community. He adds: "All countries concerned need to help persuade North Korea on the nuclear issue. It is important for concerned countries to

make efforts to see to it that dialogue between North Korea and the United States is smoothly put back on the right track. I think the Japanese Government should stick to its stance of seeking a solution through dialogue."

Finally, Tahara asks Murayama whether the SDPJ intends to form a parliamentary group to confront the group "Kaishin," which has led to the SDPJ's secession from the coalition. Murayama replies: "We have no such idea at present. However, we would like to closely cooperate with Sakigake and other forces which hold views similar to our own."

JNP To Absorb United Social Democratic Party
OW1805152194 Tokyo KYODO in English 1447 GMT 18 May 94

[Text] Tokyo, May 18 KYODO—The Japan New Party (JNP), headed by former Prime Minister Morihiro Hosokawa, and its tiny social democratic ally have agreed to merge to promote realignment in the nation's political arena, the two parties said Wednesday [18 May].

Hosokawa and Satsuki Eda, who heads the United Social Democratic Party (USDP), agreed that the JNP will absorb the 17-year-old party and announce a joint statement Sunday.

The statement will proclaim the two parties' determination to promote further political realignment and declare a clear apology for Japan's behavior during World War II.

The two parties decided on the merger because of the closeness of their reform-oriented political tenets, officials said.

Both parties attach importance to decentralization of power and to more active civil involvement in the political process, they said.

Two of the three USDP members in the House of Representatives, Eda and Shogo Abe, will join the new party, boosting the JNP's strength in the lower house to 39, compared with 206 for the Liberal Democratic Party (LDP), 74 for the Social Democratic Party (SDP), 62 for Shinseito [Japan Renewal Party] and 52 for Komeito [Clean Government Party].

But the third USDP legislator, Yanosuke Narazaki, will become an independent.

The new JNP will raise the banner of "practical idealism" after the merger, they said.

The move, however, is unlikely to help consolidate the JNP's footing, which is becoming more shaky every day, political analysts said.

The JNP, which is rapidly losing public support, is in a crisis of splitting as Hosokawa's leadership has been incurably damaged by his resignation from the premiership over his shady financial dealings in the 1980s.

Rank-and-file party members are increasingly disgruntled about the political strategy and handling of Diet business by the top brass, insiders said.

Three members left the party in April to form a new parliamentary group, Seiun, after Hosokawa reneged on a promise to merge with new party Sakigake [Harbinger], headed by former Chief Cabinet Secretary Masayoshi Takemura.

Seiun's three members and Sakigake's 15 members have formed a joint parliamentary group in the lower house.

One focal point is the issue of dissolving the parliamentary bloc Kaishin, created by some coalition partners after Tsutomu Hata was elected to succeed Hosokawa.

The formation of Kaishin infuriated the (SDP) [parentheses as received], which was the largest bloc in the ruling coalition that supported the Hosokawa administration.

The SDP walked out of the coalition, leaving Hata with a minority government.

Hosokawa on Wednesday supported the idea of scrapping Kaishin, joining the growing camp in the coalition that calls for dissolving the Diet club to lure back the SDP into the coalition.

But chief coalition strategist Ichiro Ozawa of the coalition's core party Shinseito has expressed strong opposition to such a move.

The issue engendered a bitter controversy in the JNP over its political strategy as a growing number of party members are critical about Hosokawa's decision to join Kaishin.

The members of Seiun are making overtures to JNP lawmakers to leave the party and join their group, and some analysts believe the JNP is on the verge of a major split.

"The JNP's split is now a matter of time," said one SDP legislator.

Hata, Kakizawa View Constitution, Security Policy

OW1805141794 Tokyo NHK General Television Network in Japanese 1000 GMT 18 May 94

[Announcer-read report over video; from the "NHK News 7" program]

[Text] Prime Minister Tsutomu Hata said that the idea of universal security [fuhenteki anzenhosho], which is included in the previous ruling coalition parties' policy agreement, is generally similar to the collective security [shudanteki anzenhosho] policy stated in the United Nations Charter. He said this during a session of the Lower House Budget Committee.

Hidenao Nakagawa, member of the opposition Liberal Democratic Party [LDP], raised this issue during the session. He asked Prime Minister Hata to state the similarities and differences between the policy agreement's idea of universal security and the collective security plans stipulated in the UN Charter, which include provisions for military sanctions. The prime minister replied that the two

are generally similar. Nakagawa was not convinced and asked the government to indicate its position in detail.

The collective security policy stipulated in the UN Charter includes provisions for economic and military sanctions. However, the United Nations has never used troops to implement military sanctions. So the Japanese Government has not yet indicated its opinion as to whether the Japanese Constitution allows Japan to take part in such UN sanctions. Therefore, Prime Minister Hata's remarks today are expected to stir controversy.

Nakagawa also referred to remarks made earlier by Foreign Minister Koji Kakizawa. He asked the foreign minister if he intends to review the government's interpretation of the Constitution that the collective defense is banned by the Constitution. The foreign minister replied that he has his own opinion, but as a member of the cabinet, he will support the Hata cabinet's policy to maintain the position of the previous government. He said that he would take back his previous remarks if they are taken to mean that the government should review its interpretation of the Constitution because that is not what he meant.

Since a budget draft had been sent to the Upper House, the Upper House Budget Committee held an executive council meeting this evening to discuss the schedule for deliberating a draft supplementary budget. However, the council failed to reach a conclusion. The council will meet again tomorrow.

Discussion on Tax, Administrative Reforms

OW1805134794

[Editorial Report] Tokyo NHK General Television Network in Japanese at 0000 GMT on 15 May broadcasts a live, 60-minute roundtable discussion: "Rights and Wrongs of Tax Increases and Reductions." Roundtable participants include Hirohisa Fujii, finance minister; Kozo Watanabe, acting chief secretary of Shinseito (Japan Renewal Party); Ryutaro Hashimoto, policy research council chairman of the Liberal Democratic Party (LDP); Koken Nosaka, Diet administration committee chairman of the Social Democratic Party of Japan (SDPJ); and Iwao Nakatani, professor at Hitotsubashi University. The program is moderated by NHK commentator Takashi Yamamoto.

The discussion begins with Yamamoto asking Finance Minister Fujii whether Prime Minister Tsutomu Hata was referring to a consumption tax hike when he recently said that the government would create a balanced tax system by reviewing income and consumption taxes. After noting that various measures have been discussed to promote tax reform, Fujii says: "His remarks meant that the government will rectify overly heavy reliance on income taxes." He admits that it also means the review of the ratios of direct and indirect taxation. Concerning the government's attempt to draft a concrete tax reform plan during June, Shinseito's Watanabe notes that there are strong hopes for compiling the plan on schedule, while the SDPJ's Nosaka predicts that it will be difficult for the government to draft

such plans by the end of June. The LDP's Hashimoto says the government has not exerted efforts to gain public understanding on the planned tax reform. When asked why the government should set a deadline for formulating concrete reform plans, Fujii stresses that the tax reform is being studied as a measure not to implement tax cuts but to cope with the graying of society. He says: "Our goal is to draft concrete plans by the end of June, or if this is impossible, by the end of the year." Professor Nakatani, however, expresses doubts about the effectiveness of a government plan to implement a tax hike and reduction at the same time, and about the necessity of hastily formulating the tax reform plan in time for a Japan-U.S. summit meeting and the Naples summit in July. In this connection, Fujii notes the need for the government to secure financial sources to fund tax cuts, suggesting the simultaneous implementation of a tax hike and reduction. He adds: "The government is considering implementing multi-year—not single-year—tax cuts and taking necessary measures to carry out the cuts."

Hashimoto criticizes the government for examining only tax reform as a means to cope with the aging of society, saying that the government must view the nation's burden in terms of taxes and social security premiums as a whole. He also chides the government for having raised fees on many public utilities, claiming the increased fees will reduce the effects of tax cuts on the economy.

Nosaka stresses that the government should promote tax reform after gaining the people's understanding. Commenting on this, Fujii promises utmost efforts to gain public understanding, saying: "Reform will not be implemented without the support of the general public—in particular, without the support of Diet members of each political party." Also, referring to Hashimoto's call for reviewing not only the tax burden but also the burden of social security premiums, Fujii says that while taking this into consideration, the government will make efforts to gain the understanding of the people. The roundtable participants then discuss what the government should do to gain popular understanding. Hashimoto asks the government to take enough time to listen to the opinions of the people. Fujii agrees with him, saying it is a matter of course for the government to hear public opinions. Asked about whether the ruling coalition will seek out the opinions of opposition parties in the process of formulating the tax reform plan, Shinseito's Watanabe says: "We will naturally do so. The plan will amount to nothing if it is scrapped in the Diet."

Explaining the SDPJ's position on tax reform, Nosaka says: "We think that it is inevitable for the government to first consider increasing the ratio of indirect taxation and establishing a new tax to finance income tax cuts."

In answering a question on whether the ruling coalition plans to specify the size and timing of a tax increase in its tax reform plan, Watanabe notes the need for the coalition to seek the support of the LDP and the SDPJ, again saying the plan will amount to nothing unless it is adopted in the Diet.

Turning to administrative reform, Nosaka says that although the government is calling on the private sector to promote restructuring, it has to restructure itself as well. Asked if the government can compile effective deregulation measures for administrative reform by the end of June, Fujii, while stressing the importance of administrative reform, says: "Deregulation is very important from an international point of view and in light of the need to transform Japan's economic structure. The government is dealing with deregulation with these points in mind." However, Professor Nakatani questions the effectiveness of deregulation measures currently being studied by the government, saying that with these measures, the government will not be able to open Japanese markets wider and promote deregulation fully enough to satisfy the people and other countries. He points out that if the government can lessen the differences between domestic and overseas prices by promoting deregulation, domestic demand will increase greatly. Fujii agrees with Nakatani, saying that what the latter said is very important. Meanwhile, noting areas in which he believes the government should promote deregulation, Hashimoto urges a review of the country's systems of standardization and validation, referred to as non-tariff barriers by other countries, to meet the expectations of the United States and other nations. He also stresses: "To promote deregulation, it is necessary to strengthen the power of the Fair Trade Commission (FTC). Otherwise, the FTC will not be able to cope with such unfair business practices as dumping." The SDPJ's Nosaka also stresses the importance of deregulation, saying: "While taking into account Japan's huge trade surplus with the United States, the government should promote regulation in such a way that it abolishes unnecessary regulations and maintains necessary ones."

Energy Demand To Be Curbed Toward 2010

*OW1905085294 Tokyo KYODO in English 0820 GMT
19 May 94*

[Text] Tokyo, May 19 KYODO—The Natural Resources and Energy Agency will pursue a policy aimed at limiting the annual growth of energy consumption at around 1 percent by 2010, a senior agency official said Thursday [19 May].

The policy is designed to promote energy conservation in the context of preserving the global environment, the official said on condition of anonymity. The agency is part of the Ministry of International Trade and Industry.

The official said the policy will be clarified in an interim report forecasting Japan's long-term energy supply and demand. It will be released by the advisory committee for energy in May or June. The panel advises the trade minister.

Energy conservation in the new policy will focus on consumption by households and transportation sectors, the official said.

New sources of energy also should be used to improve energy saving, including solar power, recycled use of waste

materials and cogeneration systems. The official said the "summer time" daylight saving system should be introduced in Japan.

He said Japan's energy consumption would grow at an annual rate of around 1.5 percent toward 2010 if the current energy policy is maintained.

On the bargain sale of gasoline by an unlicensed gas station near Nagoya, the agency official said it is "timely" to discuss the validity of a law governing the operation of gas stations.

The gas station was not granted a business license by MITI because it did not clarify the wholesale sources of its products, a requirement for running a gas station in Japan.

The station, however, began selling gasoline in defiance of MITI's instructions.

Under the existing system, to get a license a retailer must adhere to the requirement, introduced as a way of securing a stable supply of products, the official said.

The official said he understands the regulation is intended to prevent excessive price-cutting competition among gas stations.

But he added there appears to be room to discuss the validity of maintaining the regulation.

Panel Seeks Cost Cuts in Petrochemical Sector

*OW1805110394 Tokyo KYODO in English 1012 GMT
18 May 94*

[Text] Tokyo, May 18 KYODO—Japan's petrochemical industry should do more to cut costs in order to maintain price competitiveness against imports, a government advisory panel said Wednesday [18 May].

Japanese petrochemical companies are performing well in their competition with foreign products with the import ratio staying at a low 9.0 percent in fiscal 1993, the Petrochemical Supply and Demand Coordination Council, an advisory body to the trade minister, said in a report.

The council said this reflects better services provided by the domestic industry in nonprice fronts, such as better quality products, well-organized after-sales services and better distribution-related services.

But it added maintenance of such services, often made at the expense of a product price increase, has put a heavy financial burden on Japanese petrochemical firms, making their business operations less profitable.

In order to keep price competitiveness while providing the same services, the industry needs to curtail costs in production, sales, and research and development, the council said.

The task, however, is impossible unless the Japanese petrochemical industry goes through comprehensive structural reforms, including formation of joint sales and manufacturing companies and the industry's overall reorganization through mergers and acquisitions, for efficient business operations, it said.

The report calls for a drastic review of Japanese petrochemical firms' export strategy in which they tend to offer products at bargain prices abroad simply to maintain factory utilization rates.

Vice Ministers Seek Further Government Restructuring

OW1905060494 Tokyo KYODO in English 0352 GMT 19 May 94

[Text] Tokyo, May 19 KYODO—Parliamentary vice ministers called unanimously Thursday [19 May] for further restructuring and cost-cutting efforts by the government, a government spokesman said.

The vice ministers said in their meeting that the government should share the pain with the private sector, Deputy Chief Cabinet Secretary Naoto Kitamura told a press conference. They were apparently endorsing a government decision Wednesday to suspend planned hikes in public service charges.

The government of Prime Minister Tsutomu Hata announced Wednesday it will suspend until the end of the year planned increases in public service charges, including highway tolls, telephone rates and public transportation fares. Kitamura said the vice ministers praised Hata's decision as "wise."

The spokesman said they agreed to ask their ministries to make further cost-cutting efforts, including scrapping and integration of government organs, a cut in personnel costs and streamlining of government-affiliated bodies.

Meanwhile, government sources said local bus services may be excluded from the planned rate freeze. Suspension of a requested fare hike of 10 percent could cause bankruptcy for some local bus companies, the sources said.

MITI Unveils Blueprint for Information Society

OW1905125694 Tokyo KYODO in English 1002 GMT 19 May 94

[Text] Tokyo, May 19 KYODO—Japan's trade ministry Thursday [19 May] unveiled a program to build a society that is highly information-oriented toward the next century.

The program emphasized the need for the government to augment ongoing efforts in the private sector for realizing such a society, in particular through integrated networking of computer and telecommunications systems.

Specifically, the Ministry of International Trade and Industry (MITI) called for promotion of such networking in five sectors—education, research, medical and welfare services, administrative operations and public libraries.

The task, however, will be impossible to achieve unless the government makes efforts to improve business, technical and social conditions in these areas, the program said.

It said the conditions include computer standardization, establishing security systems in computer-related business,

protection of intellectual property rights, deregulation of various rules and upgrading telecom-related infrastructure, the program said.

MITI said the program was formulated to give concrete shape to policy measures recommended last June by the Industrial Structure Council, an advisory body to the trade minister.

In the past year, a drive to build information-oriented societies has been accelerated on a global basis, including the national information infrastructure scheme proposed by the United States and the trans-European network program by Europe.

Truck Firm Develops Efficient Diesel Engine

OW1905003894 Tokyo KYODO in English 2331 GMT 18 May 94

[Text] Tokyo, May 19 KYODO—Hino Motors Ltd., a leading Japanese truck maker, has developed the world's most efficient large-scale diesel engine, a Japanese industrial daily reported Thursday [19 May].

The turbocharged, 10000-cc engine is 10 percent more fuel efficient than similar large-scale diesel engines without sacrificing power and torque, the NIKKEI SANGYO SHIMBUN said.

The engine, called P11C, uses pistons made of a new material mixed with heat-blocking graphite to raise thermal efficiency, in the first application of this new technology, it said.

The use of the new material makes it possible to raise combustion efficiency to 46 percent from the previous ceiling of 43 percent for similar engines, the daily said.

Hino has used the engine in some of its large-size trucks and has no plans to sell the engine by itself, it said.

North Korea

Kim Il-song Dismisses Power of U.S. Sanctions

OW1905033094 Tokyo KYODO in English 0306 GMT 19 May 94

[Text] Tokyo, May 19 KYODO—North Korean President Kim Il-song says his country has been under U.S. sanctions since the end of the Korean War and wonders what further measures could be imposed on Pyongyang, the ASAHI SHIMBUN newspaper reported Thursday.

Kim further told a Korean-American journalist last month that China has no means to exercise influence over Pyongyang in any attempt to resolve concerns that North Korea may be developing an atomic bomb, according to the ASAHI report.

For more than a year, the United States has suggested imposing economic sanctions on Pyongyang if North Korea does not permit full inspections of its nuclear facilities to ensure that no radioactive material is diverted to a weapons program.

In an April 21 interview with U.S. ASIA NEWS reporter Moon Myong-cha, Kim again denied that North Korea is attempting to build a bomb and virtually dared the U.S. to impose sanctions on his economically beleaguered state.

Since the truce (ending the 1950-1953 Korean war), we have been under what are actually comprehensive economic sanctions by the economic sphere of the U.S. side, Kim said.

What further sanctions beyond those we have been subjected to can be imposed? I feel like saying once, go ahead and try, Kim reportedly said, accusing the U.S. of trying to drive North Korea into a corner over the nuclear issue.

Kim rejected the idea that China, North Korea's lone major ally, can play any role in resolving the nuclear stalemate, saying, we are not a vassal state of China.

The 82-year-old North Korean leader denied that his country was trying to build a bomb and insisted that they have no place to test an atomic bomb nor a target to use it against.

Despite Kim's insistence on the issue, Pyongyang has repeatedly refused to fully comply with demands by the International Atomic Energy Agency (IAEA), which monitors nuclear programs for the United Nations.

"If we show the IAEA everything they want to see, they will say they have doubts about other places that they want to see, and more places, and this attitude will continue," said Kim.

North Korea has rejected inspections of some facilities by saying they were military installations off limits to outside inspectors, but Kim said in the interview with Moon that inspections of the military sites must be carried out with checks of all military bases in North and South Korea.

Asked about North Korea's threat to turn Seoul into a "sea of flames," Kim said that Pyongyang's delegate to an inter-Korean meeting in March had told him the words had been uttered because the South Korean delegate "had gotten on his nerves."

Regarding the suspended talks for establishing diplomatic relations between Tokyo and Pyongyang, Kim said, "the door is always open no matter who the prime minister is."

U.S. Intent To 'Intimidate' Condemned

*SK1905055094 Pyongyang KCNA in English 0520
GMT 19 May 94*

[**"Dangerous Scheme"**—KCNA headline]

[Text] Pyongyang, May 19 (KCNA)—U.S. Secretary of Defense William Perry recently declared the United States was examining measures to step up preparations for an emergency dispatch of aircraft carriers to the Korean peninsula and increase the stockpile of ammunitions for U.S. Forces in South Korea and Japan. A senior U.S. official even cried that a "decisive position" would be taken in the U.S.-led international action for a solution to the "nuclear issue" of the DPRK.

This shows the United States is very tenaciously working to intimidate the Korean people with strength and strangle the DPRK, says NODONG SINMUN today.

The news analyst continues:

The emergency dispatch of aircraft carriers and stockpiling of larger quantities of ammunitions are measures that can be taken only on the eve of war. Perry's statement suggests that the United States is stepping up preparations for making a military adventure against the DPRK any moment.

It is noteworthy that the United States is intensifying the campaign to stifle the DPRK by force of arms over its "nuclear issue."

The United States is leading the campaign of international reactionaries to isolate and stifle the DPRK. This indicates that the U.S. schemes to inveigle other countries in a possible war it would provoke in Korea.

The U.S. is raising a hue and cry over the "nuclear issue" of the DPRK in an effort to find a pretext for a military adventure.

Strength and pressure never work on the DPRK.

If the U.S. warmaniacs make a military adventure in Korea, they will have to pay dearly for it.

U.S. Visitor Decries 'Propaganda' Against North

*SK1905045794 Pyongyang KCNA in English 0440
GMT 19 May 94*

[Text] Pyongyang, May 19 (KCNA)—The U.S. clamor about war preparations of the Korean People's Army is a lie, said John M. Swomley, executive director of the American Committee on Korea, after visiting Panmunjom at the head of a delegation of the committee.

Noting that propaganda against the Democratic People's Republic of Korea is going on unabated in the United States, he said Americans are not well informed about the existence of the concrete wall dividing Korea into North and South.

He contended that the United States should pull its forces and nuclear weapons out of South Korea, saying the U.S. Forces have not withdrawn from South Korea still today when the "Cold War" has come to an end.

U.S., ROK 17 May Military Exercises Noted

*SK1905045594 Pyongyang KCNA in English 0438
GMT 19 May 94*

[Text] Pyongyang, May 19 (KCNA)—The U.S. imperialists on May 17 sent the overseas-based AWACs to the sky above South Korea to stage a joint air war exercise against the North with the puppets in the skies above Muju, Nonsan, Yaju and Yongwol, according to military sources.

The war gamble was aimed at testing the feasibility of the AWACs "E-3" command over combined flying corps and the accuracy of joint surprise strike at targets.

On the same day, the South Korean puppets deployed 10 large-calibre guns, commandos, more than 100 military vehicles and thousands of puppet armed bandits in Paju County.

Meanwhile, the puppet tank groups deployed in Paju County fired scores of shells near the demilitarized zone of the military demarcation line and puppet armed helicopters launched support exercises for missile attack operation and ground attack in the sky above Yonchon County and Chorwon County, South Korean Kangwon Province.

Ministry Assails Japan on Plutonium 'Concealment'

Text of Statement

*SK1905103394 Pyongyang KCNA in English 1023
GMT 19 May 94*

[“Governments and International Organizations Urged To Take Joint Action Against Japan’s Nuclear Armament”—KCNA headline]

[Text] Pyongyang, May 19 (KCNA)—A spokesman for the Foreign Ministry of the Democratic People’s Republic of Korea released a statement today concerning the exposure of an extra-large case in Japan—the concealment of 70 kilograms of plutonium at the nuclear fuel-making factory in Tokaimura.

The statement reads:

Recently, the true color of Japan as a nuclear criminal was dragged into the light of day, causing quite a stir worldwide.

As was already reported, an extra-large case of the concealment of 70 kilograms of plutonium at the nuclear fuel-making factory in Tokaimura, Ibaraki Prefecture, Japan, was disclosed.

Japan had so far boasted itself of its “uprightness”, claiming that it had opened to the public the amount of plutonium stockpiled by it and had accepted “strict inspections” by the International Atomic Energy Agency. But it was disclosed recently that the Japanese authorities had not declared the amount of plutonium enough for the manufacture of nine nuclear bombs in the total inventory of plutonium, keeping it in secrecy. This clearly showed their shamelessness. The concealment of plutonium is a violation of the universally recognized international law, which should be taken seriously and denounced.

The case also clearly indicates that the so-called “three non-nuclear principles” advertised so often by Japan are nothing but a “screen” for concealing a large quantity of plutonium and accelerating nuclear armament in real earnest and the noisy row Japan has raised over the non-existent “nuclear issue” of the DPRK, taking the van in the intrigues to stifle it, was motivated by a trick to veil its nuclear armament and divert the public attention elsewhere.

The Japanese authorities, caught red-handed, are these days vociferating about “probe into the truth” and “removal of suspicion,” but no one will believe that.

Judging from the fact that many nuclear facilities of Japan have been in operation for scores of years, it is self-evident that the recently discovered plutonium is only a tiny part of the amount concealed in Japan.

As regards Japan’s production and concealment of much plutonium, the world public is demanding that the International Atomic Energy Agency treat it as a grave case and take relevant measures. It says if the IAEA Secretariat fails to take issue with the dangerous nuclear activities of Japan and continues to make the matters complicated over the fledgling peaceful nuclear activities of the DPRK, throwing “suspicion” on them, it cannot be construed otherwise than an application of a double standard.

The IAEA Secretariat must pay a due attention to this problem in compliance with the principle of impartiality.

The United States, which has used the “nuclear issue” of the DPRK for a sinister political purpose, calling for a “cooperation system” to stifle the DPRK, joining hand with Japan, the real nuclear criminal, cannot evade the responsibility for the case.

We do not feel any need of serious argument about the poor lot of the South Korean authorities, who have recklessly made a fuss about “nuclear issue” of the North, currying favour with the United States and Japan, the two big powers. While the South Korean authorities ran about like mad, following Japan, the latter did what it wanted to. What a ridiculous sight it is.

The Japanese authorities must declare to the world public the exact total amount of plutonium now concealed nationwide, and immediately stop nuclear armament.

We consider that since it has been confirmed as a fact that Japan’s nuclear armament is being promoted on the danger line, the denuclearization of the Korean peninsula is practically meaningless.

We call on the governments of all countries, international organisations and anti-nuke organizations to make unbiased efforts to remove the danger of nuclear development from our planet and launch a joint action to check the nuclear armament recklessly accelerated by Japan with the ambition to become a military power and a nuclear power.

More on Statement

*SK1905105194 Pyongyang KCNA in English 1029
GMT 19 May 94*

[“DPRK Foreign Ministry Spokesman Urges Japanese Authorities To Declare Total Amount of Its Plutonium”—KCNA headline]

[Text] Pyongyang, May 19 (KCNA)—A spokesman for the DPRK Foreign Ministry in a statement today regarding the discovery of 70 kg of plutonium at the nuclear fuel-making plant in Tokaimura, Japan, says this extra-large

case is a breach of the publicly recognized international law which must be taken as a serious case and condemned.

"This vividly shows that Japan's much-touted 'three non-nuclear principles' are a 'screen' for stepping up nuclear armament in full scale while keeping a large amount of plutonium in hiding and that the noisy row Japan has raised over the fictitious 'nuclear issue' of the DPRK, taking the van in the intrigues to stifle it, is a petty trick to conceal its own nuclear armament and divert the public attention elsewhere", the spokesman says.

He urges the Secretariat of the International Atomic Energy Agency to pay due attention to this problem in compliance with the principle of impartiality.

"The United States which has abused the 'nuclear issue' of the DPRK for its sinister political purposes, talking about a 'cooperation system' aimed at 'stifling' the DPRK in league with Japan, a nuclear criminal, can never evade its responsibility for this case," he says, and goes on:

"The Japanese authorities must declare to the international community the exact total amount of plutonium they keep in hiding nationwide and immediately stop their nuclear armament.

"We consider the denuclearization of the Korean peninsula virtually meaningless since Japan's nuclear armament being promoted on the danger line has been verified in actuality.

"We call upon the governments of all countries in the world, international organizations and anti-nuke organizations to exert unbiased efforts to remove the danger of nuclear development from our planet and, in particular, to take a joint action against Japan's nuclear armament which is being accelerated recklessly with the ambition to become a military power, a nuclear power."

Japan's Bid for UNSC Seat Denounced

*SK1905050894 Pyongyang KCNA in English 0454
GMT 19 May 94*

["Impudent Remarks"—KCNA headline]

[Text] Pyongyang, May 19 (KCNA)—Japanese Prime Minister Hata reportedly claimed again that Japan should take a permanent seat on the UN Security Council [UNSC]. Speaking at the plenary session of the House of Representatives on May 16, he said "calls for Japan to play its role in the new era have come from the United Nations."

His remarks are a mockery of the unbiased opinion of the international community which has consistently opposed Japan's shameless attempt to obtain a permanent seat in the UN Security Council.

Now, Japan is scheming to call back the militarist spectre of the past, crudely violating the UN Charter.

All the more grave is the fact that Japan is stepping up its nuclear armament and its conversion into a military power in an effort to carry this criminal scheme into effect.

It is only too clear that a war criminal, a nuclear criminal, cannot become a permanent member of the UN Security Council.

As the international community opines fairly, Japan has neither justification nor elementary qualification to hold a responsible position in the UN.

Japan, a criminal state which unleashed the Second World War, has yet to cleanse her dishonour as an "enemy state" stipulated in the UN charter, and yet to apologize for the crimes it committed against the Korean and other Asian nations in the past and make compensations for the damages.

Japan must clearly liquidate her crime-woven past and stop her nuclear armament and moves to become a military power for domination over Asia, instead of impudently coveting for a responsible position in the UN.

Chongnyon Sends Appeal on Japanese 'Persecution'

*SK1905052794 Pyongyang KCNA in English 0459
GMT 19 May 94*

[Text] Tokyo, May 17 [dateline as received] (KNS-KCNA)—Han Tok-su, chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), sent to international organisations, peace, democratic and solidarity organisations and prominent figures of many countries around the world an appeal for a solidarity movement to force the Japanese authorities to stop persecuting and suppressing Chongnyon and Korean nationals in Japan.

The appeal recalls that persecution and suppression of Koreans is openly committed in Japan and on the 25th of April the Japanese police searched the Osaka Prefectural headquarters of Chongnyon and its branch offices by letting loose scores of riot police vehicles and more than 1,300 policemen.

The appeal says:

"It must not go unnoticed that the Japanese authorities are trying to justify their massive arms buildup by spreading rumors about 'threat from North Korea' through all the propaganda machines and media and, furthermore, to pave the way for a comeback to the Korean peninsula and Asia by enacting a 'security emergency law' and forcing constitution revision at any cost.

"The Japanese authorities, far from deeply repenting of, and apologizing and compensating for the colonial domination over Korea and the past crimes against the Korean people, are persecuting the Koreans in Japan, the direct victims of the colonial domination, and savagely suppressing the Chongnyon organisation that speaks for their democratic national rights under the groundless pretext. We sternly denounce this, branding it as one more crime against humanitarianism."

"In view of the grave situation today, we appeal to our friends worldwide who love justice and peace to launch a

solidarity movement protesting the unpardonable persecution and suppression of Chongnyon and Korean nationals in Japan by the Japanese authorities and calling for its immediate halt."

Anniversary of 1980 Kwangju Incident Reported

Hanminjon Issues Statement

*SK1805105394 Pyongyang KCNA in English 1023
GMT 18 May 94*

[Text] Pyongyang, May 18 (KCNA)—"We will fight, holding ever higher the banner of independence, democracy and reunification held aloft by the patriotic martyrs, undauntedly facing brutal suppression by the U.S. imperialists and the Kim Yong-sam clique and thereby overthrow the colonial fascist rule of the U.S. imperialists and establish an independent government of the nation in order not to spoil the price of blood shed by the valiant fighters of the Kwangju resistance," declared Cho Il-min, chief of the Pyongyang Mission of the South Korean National Democratic Front (Hanminjon), in a statement issued on Tuesday on the 14th anniversary of the Kwangju popular uprising.

"The uprising made the South Korean people clearly see that the United States is an aggressor and murderer, not a friend," he said. "Unless the Americans are driven away, the South Korean people cannot get rid of colonial slavery nor can achieve the democratisation of society and the independent, peaceful reunification of the country."

Cho Il-min further said:

"We will wage the anti-U.S., anti-fascist struggle more courageously, never forgetting the heinous crimes committed by the U.S. imperialist aggressors and the military fascist murderers in slaying in cold blood Kwangju citizens who courageously rose in the uprising for independence, democracy and reunification and turning Kwangju into a blood.

"The United States must take steps to pull its forces and nuclear weapons out of South Korea, clearly seeing that there is no room for it to stay in South Korea where anti-U.S. sentiments are growing day by day and not making light of the unshakable will of the South Korean people to fight it out to defend the national sovereignty.

"The United States must renounce its policy of isolating and stifling the DPRK over the 'nuclear issue', sincerely seek a peaceful solution to the nuclear issue of the Korean peninsula through the medium of DPRK-USA negotiations and respond to the just proposal of the DPRK to replace the armistice agreement with a peace agreement."

Pyongyang Rally Marks Event

*SK1805213394 Pyongyang KCNA in English 1510
GMT 18 May 94*

[Text] Pyongyang, May 18 (KCNA)—A Pyongyang mass rally was held at the Pyongyang indoor stadium today to mark the 14th anniversary of the heroic Kwangju popular uprising.

It was attended by Pak Song-chol, Politburo member of the C.C. [Central Committee], the Workers' Party of Korea [WPK] and vice president of the DPRK, Kim Yong-sun, secretary of the C.C., the WPK, Chang Chol, vice-premier of the Administration Council, and other senior officials, 10,000 citizens and Koreans from abroad.

South Korean students and people rose up in a mass uprising in Kwangju on May 18, 1980, fought "martial law troops" and armed themselves with the weapons they wrested from the enemy and completely controlled and defended Kwangju city for more than ten days. The heroic resistance involved more than a million students and citizens.

In his speech at the rally, Kang Hyon-su, member of the C.C., the WPK and chief secretary of the Pyongyang Municipal Party Committee and chairman of the Pyongyang Municipal People's Committee, said the Kwangju popular uprising was a just anti-U.S., anti-fascist democratic resistance of the South Korean people who turned out against the U.S. imperialists' colonial rule and the extension of the "Yusin" fascist dictatorship and for the democratization of society and the reunification of the country and a mass armed uprising in which the entire citizens of Kwangju waged a death-defying resistance in the teeth of fascist violence.

The U.S. imperialists transferred 70,000 puppet troops, 150 tanks and armored vehicles under their command to the military fascists to put down the uprising.

In some ten days, the South Korean military fascist clique killed more than 5,000 people and injured 14,000.

"Through the Kwangju popular uprising, the South Korean people clearly learned that U.S. imperialism is the strangler of independence and democracy and the chief-tain of aggression and murder and gained at the cost of blood the lesson that no desires could be realised as long as the U.S. imperialist aggression forces remain in South Korea," said the speaker.

He said that with the traitor Kim Yong-sam left intact, the bitter grudges of the Kwangju resistance fighters cannot be settled and there will be nothing but confrontation and war between fellow countrymen.

The earnest desire of the participants of the Kwangju uprising for independence, democracy and reunification must be realised without fail, he added.

The speaker continued:

"As long as the U.S. Forces remain in South Korea and the U.S. colonial rule continues, no desire of the South Korean people can be realised.

"The United States must make a bold decision to withdraw its aggressor troops and nuclear weapons from South Korea in accordance with the trend of the times and the demand of our nation and approach the DPRK-USA talks with a sincere attitude and position for a peaceful solution to the nuclear issue on the Korean peninsula.

"It is our unshakable position to answer dialogue with dialogue and war with war.

"The United States must clearly see the indomitable will and stamina of our people and stop the campaign over 'nuclear issue' aimed at stifling Korean-style socialism centred on the masses.

"The United States must accede to our proposal for establishing a new peace arrangement since the Korean Armistice Agreement has been reduced to a sheet of paper incapable of preserving peace on the Korean peninsula and the military armistice commission cannot perform its mission due to her illegalities.

"The South Korean students and people must wage a powerful mass struggle in all areas for the abolition of the 'National Security Law' and other fascist laws and all repressive machines and courageously fight to overthrow the Kim Yong-sam puppet regime and establish a genuine independent democratic government of the people."

Representatives of various social strata also took the floor.

They all stressed that the South Korean people must undauntedly wage the anti-U.S. struggle for independence to terminate the colonial rule of the United States, achieve the independent and peaceful reunification of the country and realise what the participants of the Kwangju uprising desired.

Universities Hold Joint Meeting

*SK1905005694 Pyongyang KCNA in English 1523
GMT 18 May 94*

["Anti-U.S. Joint Meeting of Students in North and South Korea To Mark 14th Anniversary of Heroic Kwangju Popular Uprising"—KCNA headline]

[Text] Pyongyang, May 18 (KCNA)—An anti-U.S. joint meeting of Kim Chaek University of Technology in the North and Chonnam National University in South Korea took place here today to mark the 14th anniversary of the heroic Kwangju popular uprising.

The joint meeting was due to be held in Pyongyang and Kwangju of South Korea at the same time today on the patriotic initiative of the General Student Council of Chonnam National University to realize the noble aspirations of the participants in the uprising.

Speaking at the meeting here, Pak Chang-kwang, vice-chairman of the Student Committee Kim Chaek University of Technology, and others said although the Kwangju popular uprising which started because of the frantic repressive offensive by the U.S. imperialists and their stooges, the remnants of "Yusin", failed due to brutal armed suppression by the oppressors, it was a just patriotic resistance which recorded a most brilliant chapter in the South Korean students and people's history of anti-U.S., anti-fascist struggle and the biggest massive uprising unprecedented in the modern history of national liberation struggle.

They pointed out that the noble desire of the participants in the Kwangju popular uprising for independence, democracy and reunification has not been realized although 14 years have passed since the uprising and the rancour of thousands of Kwangju citizens who were murdered in cold blood has not been wreaked.

Noting that the U.S. imperialists were pushing the situation on the Korean peninsula to a touch-and-go phase of nuclear war on the pretext of the fictitious "nuclear issue" of the DPRK, they said the South Korean students and people should wage a more unremitting anti-U.S., anti-war and anti-nuke struggle to get the U.S. imperialist aggression forces and their nuclear weapons withdrawn from South Korea and smash their nuclear war provocation moves.

They stressed that the entire students of the university would join hands firmly with the fellow students of Chonnam National University in South Korea and wage a vigorous struggle to achieve national unity and make a breakthrough in the reunification of the country, upholding the "10-point programme of the great unity of the whole nation for the reunification of the country" advanced by the great leader President Kim Il-song.

A declaration on the establishment of sisterly relations and a resolution on the joint struggle against the U.S. imperialists and for the resignation of Kim Yong-sam were read at the meeting.

The resolution says they, as students responsible for the future of the country and the nation, cannot remain a mere onlooker to the aggressive and treacherous acts of the United States and its stooges. It indicates common fighting goals of the students of Kim Chaek University of Technology and Chonnam National University to decisively counter them.

The declaration says the students in the North and the South would develop independent exchange and contribute to achieving the great unity of the whole nation, assume their looks as students of the generation of reunification and contribute to the reunification of the country in '95.

Observance in South Noted

*SK1905054294 Pyongyang KCNA in English 0505
GMT 19 May 94*

[Text] Pyongyang, May 19 (KCNA)—A ceremony and an all-people rally marking the lapse of 14 years since the May 18 Kwangju popular resistance took place at the plaza in front of the South Cholla "provincial government" Wednesday with the attendance of some 30,000 citizens and students in Kwangju, according to media reports from Seoul.

The participants in the rally looked back on the days of the significant resistance and strongly demanded an investigation into the Kwangju bloodbath.

They vowed to solve the issues of checking rice market opening and achieving national reunification in the spirit

displayed in the resistance and strongly demanded an end to the suppression of the labour movement. Then they made a street march.

Meanwhile, a memorial service for the martyrs of the Kwangju resistance took place in front of the railway station near the Mangwoldong Cemetery where they lie buried with the bereaved families, members of organizations concerned and public figures from different parts of South Korea in attendance. Meetings for inheriting the spirit of the May uprising were held in Mokpo and Haenam where resistance fighters had gathered.

Earlier, on the 17th, more than 2,000 students from 13 universities affiliated with the South Korean Federation of General Student Councils (Hanchongnyon), met at Yonsei campus in Seoul to vow to inherit the spirit of the May resistance and invigorate the struggle for democracy before staging a street march and a demonstration.

They burnt a big U.S. flag and an effigy of a Patriot missile.

Members of the National Alliance for democracy and reunification and students of Hanchongnyon, more than 1,500 in all, who participated in a rally in Seoul on the same day for the investigation into Kwangju massacre and the punishment of those responsible for it presented to the puppet Seoul District prosecutor's office an indictment calling for the punishment of 35 murderers including Chon Tu-hwan and No Tae-u, the chief culprits of the Kwangju bloodbath.

The Mokpo Association of the Civic Movement for Democracy and Students of Mokpo University sued the 35 murderers at the Mokpo branch of the Kwangju district prosecutor's office.

Red Cross Again Demands Return of Old POW's

Radio Reports Message

SK1905033594 Pyongyang Korean Central Broadcasting Network in Korean 0136 GMT 19 May 94

[Telephone message from Yi Song-ho, acting chairman of the Central Committee of the DPRK Red Cross Society, to Kang Yong-hun, president of the ROK Red Cross Society, on 19 May]

[Text] Yi Song-ho, acting chairman of DPRK Red Cross Society Central Committee, today sent a telephone message to Kang Yong-hun, president of the South Korean Red Cross, demanding again that South Korea respond to our proposal for the repatriation of old men Kim In-so and Ham Se-hwan—long-term prisoners who refused to renounce communism—and for providing Kim Chi-yon, the daughter of Kim Pyong-chu, another person who refused to renounce communism, who is seriously ill, with medical treatment.

The contents of the telephone message were as follows:

On 26 and 27 April, I sent telephone messages to you, demanding that South Korea repatriate Kim In-so and Ham Se-hwan, prisoners of war, and that it send the

seriously ill Kim Chi-yon, daughter of Kim Pyong-chu who refused to renounce communism, to the North, for medical treatment.

To date, your side has not taken any measures for our proposals that need to be settled immediately. Furthermore, your side did not even reply. This cannot be regarded as proper behavior befitting Red Cross men who regard humanity as sacred and saving mankind from misfortune as their basic mission.

Kim In-so and Ham Se-hwan, who were taken as prisoners by the U.S. Forces during their guerrilla struggles in the South in the past years of war, are clearly prisoners of war in view of international law. Therefore, your side is obliged to repatriate them to our side. Article 118 of the Geneva Convention of 12 August 1949 regarding the treatment for prisoners of war defines that prisoners of war must be released and repatriated immediately after a hostile action ends. Also, Article 20 of the Hague Convention of 1907 regarding laws on land battle and practice defines that after a treaty is concluded, the repatriation of prisoners of war should be carried out as quickly as possible.

Nevertheless, your side has stated that Kim In-so and Ham Se-hwan, prisoners of war, cannot be repatriated due to the South Korean National Security Law, which has aroused protest from the international community. This is wrong behavior in which you are employing international law in your own way.

Furthermore, your side acts as if you are interested in the humanitarian issue, ignoring the issue of repatriating Kim In-so and Ham Se-hwan, which is more important than the issue of separated families. This is a very wrong attitude.

Also, it is very regrettable that without any plausible reasons, your side has not yet positively reacted to our humanitarian proposal to provide Kim Chi-yon, the daughter of Kim Pyong-chu, who refused converting from communism, with medical treatment in the North.

Neglecting to say that your side will provide medical treatment for Kim Chin-yon, who is seriously ill, your side has ignored our proposal that we provide her with medical treatment in the North. This can be regarded as an attitude of ignoring the basic duty and mission of Red Cross men.

The DPRK Red Cross Society Central Committee sincerely advises [chunggohada] your organization not to follow authorities of the South side, who pursue North-South confrontation, but instead to be faithful to the basic duty of the Red Cross. Thus, it again strongly demands that your side positively respond to our humanitarian proposals from now on.

KCNA Quotes Message

SK1905051994 Pyongyang KCNA in English 0449 GMT 19 May 94

[Text] Pyongyang, May 19 (KCNA)—Yi Song-ho, acting chairman of the Central Committee of the DPRK Red Cross Society, in a telephone message to the president of the South Korean Red Cross today, strongly urged the

South side once again to show an affirmative response to the North's humanitarian proposals before it is too late.

Noting that the South side has not shown any response to the North's proposals for the repatriation to the North of Kim In-so and Ham Se-hwan, prisoners of war now under detention in South Korea, and of Kim Chi-hyon, a daughter of Kim Pyong-chu who was an unconverted prisoner, now suffering from a serious illness, the message says:

This cannot be deemed a righteous behavior of the Red Cross men whose essential mission is to show noble humanitarianism by saving human beings from misfortunes and helping them.

Kim In-so and Ham Se-hwan who were taken prisoners by the U.S. Forces side while engaging in guerrilla activities in the South Korean area during the Korean war are obviously prisoners of war in view of the international law, and your side is obliged to send them back to our side.

This notwithstanding, your side is dealing with their issue according to the "National Security Law" of South Korea which is now being denounced by the international community. This is, indeed, a wrong act of interpreting and applying the international law in a self-centred way.

Moreover, your side is behaving as if it were interested in humanitarian issues, while disregarding the question of repatriation of Kim In-so and Ham Se-hwan, a more urgent matter than the problem of separated families. This is an extremely improper act.

Failing to manifest any intention to give medical assistance to Kim Chi-hyon now in a critical condition, your side turned down our offer to fetch and treat her here. This cannot be construed otherwise than an attitude of neglecting the duty and mission of the Red Cross men.

The Central Committee of the DPRK Red Cross Society sincerely advises your organization not to follow the South side's authorities who pursue North-South confrontation but to remain faithful to its duty as a Red Cross organization.

Kim Chong-il Leadership Said Praised in South

*SK1905045094 Pyongyang KCNA in English 0433
GMT 19 May 94*

[Text] Pyongyang, May 19 (KCNA)—Feelings of respect and reverence for the dear leader Comrade Kim Chong-il are growing deeper among South Korean pressmen and students with every passing day.

A journalist in Inchon surnamed Yi, giving his view of the question of the future of the nation and its leader some time ago, told his colleagues:

"The dignity of a nation is in direct proportion to the greatness of its leader.

"Any nation can exalt its dignity and honour and prosper forever only when it has the heir to its leader in the person of a distinguished great man who had the steadfast idea of

national independence and serve-the-people spirit, rare passion, fighting spirit and faith.

"This is a philosophy proven by historical facts.

"The independent position and dignity of our nation are rising steadily among the international community today because it has acclaimed Mr. Kim Chong-il, the greatest thinker and theoretician of the present times, with outstanding leadership ability, noble virtues and great attraction, as the heir to President Kim Il-song."

Hearing his words with deep emotions, his colleagues unanimously evinced their determination to staunchly fight under the guidance of the dear leader.

A journalist Sin with a newspaper office in Seoul highly praised the outstanding intelligence of Comrade Kim Chong-il.

He told his fellow journalists:

"The dear leader Kim Chong-il equipped with both literary and military accomplishments is an iron-willed brilliant commander with an unshakable faith and a distinguished great statesman of sound judgement and with outstanding leadership ability.

"He is an outstanding leader of the international socialist movement who is meeting the challenge of the imperialist allied forces with his matchless grit and iron will and guiding the movement for rebuilding socialism, standing at the centre of world politics."

A postgraduate of Seoul National University surnamed Kim, chatting with his fellows about the reality of the northern half of the country some time ago, said:

"The dear leader Kim Chong-il is the great of great born with the gifts of a sage such as clairvoyance, matchless grit and extraordinary personality.

"He is a great statesman with both literary and military accomplishments and outstanding leadership ability, and the most famous general in the world.

"I am sure that the world will turn in the future into an anthropocentric socialist world true to the intentions of the dear leader Kim Chong-il, into such a world where the people enjoy all happiness and comfort."

The fellow students expressed sympathy with him, highly praising Mr. Kim Chong-il as the leader guiding the new independent world, as a leader of the world whom the world people look up to and follow.

Kim Yong-nam Sends Condolences to Zaire

*SK1805105994 Pyongyang KCNA in English 1028
GMT 18 May 94*

[Text] Pyongyang, May 18 (KCNA)—Foreign Minister Kim Yong-nam sent a message of condolence to acting minister of external relations of the Republic of Zaire Mukulumanya Wa N'gate Zenda. Kim Yong-nam expressed deep condolences to the bereaved family upon

receiving the sad news that minister of external relations Mpinga Kasenda died in a plane crash.

Kim Il-song Sends Greetings to Cameroon

SK1905105394 Pyongyang KCNA in English 1030 GMT 19 May 94

[Text] Pyongyang, May 19 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea sent a message of greetings to Cameroonian President Paul Biya on May 18 on the occasion of the National Day of the Republic of Cameroon.

President Kim Il-song wished the president and people of Cameroon success in the work for national unity and the prosperity of the country and expressed the belief that friendly relations between the two countries would further develop.

Friendship Group Marks Jordan's Independence

SK1905045394 Pyongyang KCNA in English 0435 GMT 19 May 94

[Text] Pyongyang, May 19 (KCNA)—The Korea-Jordan Friendship Association held a commemorative meeting here Wednesday on the occasion of the 48th anniversary of the independence of Jordan.

Attending the meeting were Yi Chin-su, vice-chairman of the Central Committee of the General Federation of Trade Unions of Korea and chairman of the Korea-Jordan Friendship Association, and officials concerned and working people in the city.

A message of greetings to King Hussein the First of the Hashemite Kingdom of Jordan was adopted.

Anniversary of Iranian Leader's Visit Celebrated

SK1905045994 Pyongyang KCNA in English 0443 GMT 19 May 94

[Text] Pyongyang, May 19 (KCNA)—The Korean Committee for Cultural Relations With Foreign Countries and the Korea-Iran Friendship Association arranged a friendly gathering here Wednesday on the occasion of the fifth anniversary of Korean visit of leader of the Iranian Islamic Revolution Seyed Ali Khamenei.

Saeed Lashgari, charge d'affaires ad interim of the Iranian Embassy in Korea, and officials of the embassy were invited to the gathering.

Present at the gathering were Chong Ha-chol, chairman of the DPRK Radio and TV Broadcasting Committee and chairman of the Korea-Iran Friendship Association, Chon Yon-ok, vice-chairwoman of the Korean Committee for Cultural Relations With Foreign Countries, and other officials concerned.

The participants saw an art performance of school children and had a friendly conversation.

Choe Tae-pok Attends Invention, Technology Show

SK1905060294 Pyongyang KCNA in English 0425 GMT 19 May 94

[Text] Pyongyang, May 19 (KCNA)—The 4th National Inventions and New Technology Exhibition opened at the Three Revolutions Exhibition here on Wednesday.

More than 5,000 pieces of inventions and technical innovation proposals of some 2,000 kinds are on display in the form of real objects, models, visual aids, mock-ups, video recordings, etc.

The opening ceremony was attended by Choe Tae-pok, alternate member of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, officials concerned, scientists, technicians and working people.

Choe Hui-chong, chairman of the State Commission of Science and Technology, made an opening address.

At the end of the opening ceremony the participants saw round the exhibits.

Political Leadership of Kim Chong-il Praised

SK1905102494 Pyongyang KCNA in English 1011 GMT 19 May 94

[“Man-Centred Politics, Politics of Affection and Trust”—KCNA headline]

[Text] Pyongyang, May 19 (KCNA)—NODONG SINMUN today carries an article contributed by Hong Chong-su, deputy dean of a faculty of Korean university under the General Association of Korean Residents in Japan (Chongnyon).

The article says:

History has never seen such society as the Democratic People's Republic of Korea where politics strictly serves the people.

This is because the dear leader General Kim Chong-il possessed of the noble idea of “believing in the people as in heaven” shapes policies of benevolence, affection and trust.

The dear leader perfected a scientific political idea on the basis of the Chuche idea and established a new Chuche view of politics.

His noble political idea and unshakable political creed is that the popular masses are the master of politics and it must serve them.

One of the advantages of his politics of affection and trust is that all members of society can live and develop independently and creatively as the masters of the state and society with immortal socio-political integrity.

The dear leader General Kim Chong-il said:

"Genuine politics for the people means respecting them and doing them all favours."

His politics of affection and trust finds graphic expression in his famous slogan "We serve the people!" He guides the party and the state to firmly defend the interests of the people and strictly subordinate everything to them in making and implementing the lines and policies.

His politics provides all members of society with freedom and equality and gives full play to their individuality.

His is a great politics which makes it possible to give full play to social attributes of man. It also enables people to defend the sovereignty of the country and the nation, and mankind to live a happy life in harmony. This politics will be everlasting with the future of mankind.

His politics of affection and trust reaches the overseas compatriots, especially the Koreans in Japan.

We Koreans in Japan including the officials of Chongnyon live and fight full of confidence and optimism with the most precious socio-political integrity in Japan which is based on the principle of struggle for existence and the law of the jungle, not wavering no matter which way the wind may blow.

Even in the corrupt and ailing capitalist society, we live a dignified life with precious political integrity because the dear leader is constantly infusing life-giving water into us all.

There are many countries and leaders in the world, but no such leader as our dear leader General Kim Chong-il who works hard to give immortal socio-political integrity even to the overseas compatriots and exalt it.

Daily Urges Intensifying Ideological Education
*SK1905101094 Pyongyang KCNA in English 1004
GMT 19 May 94*

[Text] Pyongyang, May 19 (KCNA)—NODONG SINMUN in an editorial today calls for further intensifying ideological education among the party members and other working people.

To give precedence to the ideological education of the party members and other working people is a consistent policy of the Workers' Party of Korea.

The editorial says ideological education is the work to train the party members and other working people to be genuine revolutionaries of Chuche type and arouse them to the revolutionary struggle and construction work.

Ideological revolution is the pilot of the revolution, the editorial notes, and goes on:

Ideological front is an acute battlefield in confrontation with the imperialists.

Today the imperialists are intensifying their anti-socialist ideological offensive as never before. In order to smash corrupt bourgeois ideology, morality and way of life and

maintain the purity of socialism it is imperative to fully prepare the people ideologically.

The ideological revolution is a mighty way of defeating imperialism and achieving the victory of socialism.

Intensifying ideological education still further is a decisive guarantee for successfully carrying out the revolutionary tasks facing our party and revolution.

Only when ideological education is intensified, is it possible to make the party members and other working people effect a fresh upswing on all fronts of socialist construction, breaking through difficulties.

What is important in intensifying ideological education at present is to make all the party members and other working people cherish singlehearted loyalty and unite around the party and the leader as firm as a rock.

The editorial also lays stress on continuously pushing ahead with the work of firmly arming the party members and other working people with the Chuche idea and the revolutionary traditions of our party and on intensifying education in socialist patriotism among them to infuse them with noble patriotism of defending the country.

The editorial calls for concentrating efforts on the education of youth and children, the successor to the revolution in particular.

South Korea

IAEA Receives Initial Report From Team in DPRK

*SK1805232594 Seoul KBS-1 Radio Network in Korean
2200 GMT 18 May 94*

[Report by Cha Man-sun from Vienna]

[Text] The International Atomic Energy Agency [IAEA] received an initial report on the situation of the replacement of the fuel rods from the inspection team which started inspection activities in Yongbyon, North Korea, on 18 May, and discussed measures regarding this matter.

The inspection team consisted of three people who are conducting a detailed examination of whether the fuel rods were replaced at the five megawatt-class atomic reactor. It was learned that the inspection team made an initial report to the IAEA on the progress of the replacement of the fuel rods and on its future prospects.

In this connection, a well-informed source reported that high-ranking policy-makers in the IAEA closely analyzed the initial report, and discussed in detail on whether to seek ways to resolve this issue through negotiations with North Korea. However, the details of the inspection team's report to the IAEA on the situation regarding the replacement of fuel rods were not revealed.

Team Confirms Fuel Rods Replaced

*SK1905104794 Seoul KBS-1 Radio Network in Korean
1000 GMT 19 May 94*

[Text] The International Atomic Energy Agency [IAEA] is mapping out a countermeasure after receiving a report from the inspection team in North Korea, which began its inspection activities on 18 May, confirming that North Korea has already begun replacing nuclear fuel rods.

Correspondent Cha Man-sun has this report from Vienna:

[Begin recording] Three inspectors conducted inspection activities in Yongbyon, North Korea, for the second day. Since yesterday, the inspection team has examined the counter and seals and whether the surveillance equipment installed at the 5-mw atomic reactor has been replaced. As a result, they have confirmed that the replacement of nuclear fuel rods has already begun.

The inspection team, in particular, has focussed on examining, with the guidance of North Korean officials concerned, whether it is possible to take samples from the used nuclear fuels from the reactor in the course of the nuclear fuel rods being replaced. As a result, they judged that the replacement of nuclear fuel rods is now at an initial stage. It is learned that they have reported this to headquarters.

Well-informed sources disclose that the inspection team has given its initial report saying that the replaced, used nuclear fuels are stored in such a way as to make it difficult to find out from which side of the reactor they have been taken out.

The well-informed sources say that the persons in high-level policy-making authority at the IAEA are receiving, and are making a detailed analysis of, daily reports from the inspection team in North Korea on its inspection activities and the status of the replacement of nuclear fuel rods. They are discussing, the sources say, whether to seek solutions through future negotiations with the North.

These sources predict that in view of the smooth progress of the consecutive two-day inspection activities, a scheduled, additional inspection of the radiochemical laboratory will also go smoothly. [end recording]

IAEA Team Begins Inspection of Yongbyon Facility

*SK1805115794 Seoul KBS-1 Radio Network in Korean
1020 GMT 18 May 94*

[Text] The International Atomic Energy Agency [IAEA] announced that the IAEA inspection team, which entered North Korea yesterday [17 May], today arrived in Yongbyon, the site of inspection, and has begun inspection activities.

The inspection team will watch [kamsi] the work of replacing nuclear fuel rods in Yongbyon and conduct additional inspection of the radiochemical experimental power station. The United States and IAEA have high expectations for the inspection team's activities.

After arriving in Yongbyon today, the IAEA inspection team, composed of three inspectors, started the work of confirming whether fuel rods were replaced by examining surveillance cameras and seals installed in the nuclear reactor.

Even if North Korea has launched the work of replacing nuclear fuel rods, the IAEA will persuade North Korea through various negotiation channels to allow the inspection team to optionally select nuclear fuel rods from nuclear reactor at the initial stage of replacement and to store them in a separate special instrument. The reason for this is that if the inspection team takes a sample from storage house after the replacement of the fuel rods is completed, the team cannot examine the precise amount of nuclear material already converted.

The IAEA maintains that the sample-taking during the time of replacing the nuclear fuel rods is indispensable for deciding whether the North Korean report that damaged fuel rods were replaced only once since the operation began in 1986 is true or not and for finding out the exact quantity of fuel rods replaced.

Therefore, the IAEA inspection team will decide the extent of progress in the replacement of nuclear fuel rods and examine whether the precise sample-taking is feasible at the present stage or not. The inspection team is given a special mission to urgently report the result of its aforementioned activities.

Meanwhile, the Clinton administration has expectations for the result of the activities by the IAEA inspection team in North Korea.

During a regular briefing today, U.S. Defense Department spokesman (Box) expressed an optimistic view, stating that the inspection team will complete inspections of the seven declared nuclear facilities, which remained unsolved last March, and will go into the nuclear reactor in question in Yongbyon and replace film and batteries.

Spokesman Says No 'Disturbance'

*SK1905065194 Seoul CHUNGANG ILBO in Korean 19
May 94 p 1*

[Report by Choe Won-ki]

[Text] Hans Meyer, spokesman of the International Atomic Energy Agency [IAEA], said that the IAEA inspection team has begun inspecting Yongbyon nuclear facilities and that there has been no particular disturbance to speak of by North Korean authorities.

In a telephone interview with CHUNGANG ILBO on the early morning of 19 May, Spokesman Meyer said: "The three-member inspection team is communicating normally with the IAEA headquarters in Vienna, Austria." He said the inspection team, which arrived in Pyongyang on 17 May and moved on to Yongbyon by automobile, is regularly reporting to the IAEA headquarters every afternoon about its inspection activities.

Asked about whether North Korea had begun the replacement of fuel rods in the five-megawatt reactor in question, he said: "The IAEA's official position is that, until inspections are completed, we would not know which is the truth as Pyongyang asserted that it began the replacement of fuel rods while North Korean officials in Vienna are denying this." He said no comment could be given on the scope and schedule of inspections "according to IAEA regulations."

Ex-Opposition Leader Cited on DPRK Nuclear Issue

SK1905024394 Seoul YONHAP in English 0042 GMT
19 May 94

[Text] New York, May 18 (YONHAP)—Kim Tae-chung, former South Korean opposition leader, says the North Korean nuclear row must be resolved while President Kim Il-sung is still alive because he is the only person in that country who can make a major policy concession.

"There is no need to respond with cynicism to Kim Il-sung's recent peace gesture that included his express wish to visit the United States," said Kim, chairman of the Seoul-based Peace Foundation for the Asia and Pacific Region.

Speaking at a meeting sponsored by the Korea Society here Wednesday, Kim Tae-chung predicted that if Kim Il-sung could tour the United States, he would become more "moderate."

The only way to settle the nuclear dispute is through the establishment of diplomatic relations between Pyongyang and Washington and American security guarantees for the communist state, including suspension of the joint South Korea-U.S. military exercise "Team Spirit," he said.

Earlier Wednesday, Kim met with South Korean correspondents in New York and denied press reports that he had said it would not be a problem even if North Korea possessed two or three nuclear weapons.

Kim reportedly told the WASHINGTON TIMES that if North Korea had two or three nuclear weapons, it wouldn't be much of a problem considering that the United States has more than 20,000.

Kim's alleged remark, made in an interview with the times and picked up by the South Korean press, has had political repercussions back home. Calling the report groundless, Kim apparently wanted to clarify his statement.

"North Korea's possession of nuclear weapons is unacceptable under any circumstances," he said. "If it already has, it (Pyongyang) has to abandon it."

The United States should try and accommodate North Korea's wish to establish diplomatic ties in order to resolve the nuclear issue, Kim said. He recommended a package deal between Washington and Pyongyang to solve all problems at once, as has been proposed by North Korea.

Kim Tae-chung also denied he had proposed that former U.S. President Jimmy Carter be sent to Pyongyang as a special envoy of President Bill Clinton. He said he had

only suggested that an unofficial envoy be sent to Pyongyang but only after thorough consultations with the Seoul government for the efficiency of the sending.

In his Korea Society speech, Kim Tae-chung said "the use of the China card" is crucial in resolving the nuclear row.

If North Korea refused to accept a proposal for a package solution, China would face enormous international pressure to join in UN Security Council sanctions against North Korea, he said.

Kim Tae-chung Interviewed on DPRK Nuclear Issue

BR1705145994 Paris LE MONDE in French
17 May 94 p 2

[Interview with Kim Tae-chung, former South Korean opposition leader, by Philippe Pons; place and date not given: "An Interview with Kim Tae-chung"]

[Excerpt] [passage omitted] [Pons] The partition of the peninsula is a problem that obsesses Koreans. You suggested the creation of a confederation. Do you think that remains a realistic proposition today?

[Kim] More than ever. When the generals were in power, they paid no attention to the notion of a confederation, as they envisioned reunification as a mere takeover. This is the wrong solution, for two reasons: First of all, there is the German example; second, such a solution is rife with dangers. It would give Pyongyang good reason to build nuclear weapons. Furthermore, China would never accept it. Beijing has vital interests in the Democratic People's Republic of Korea (DPRK). Geographically, these two countries share a border over 1,000-km long. In addition, North Korea provides China with access to the Yellow Sea as well as protection for Manchuria and the new industrial areas in Northeast China. Should we pursue such hegemonic ends, I am convinced that China would intervene directly in North Korea and would provide military support to Pyongyang if necessary. We must remember that, in the early 1950's, China entered the Korean war to protect North Korea, which represented vital geostrategic interests for Beijing. The United States took no account of China's warnings. Moreover, the German example convinces us to proceed gradually.

In my hypothesis of a confederation of the two Republics, the first step would entail maintaining two independent governments for defense, foreign affairs, and domestic affairs. The confederation would have one joint body made up of delegates from the North and the South, it would be in charge of promoting trade and cooperation, and through restored mutual trust, pave the way for the ultimate establishment of a federal state, within 10 years or more. At first North Korea was favorable to a direct shift to a federation, then its leaders, including Foreign Minister Kim Yong-nam, stated they were ready to discuss my proposal.

[Pons] What do you think the Pyongyang regime is trying to achieve through its strategy of a nuclear threat?

[Kim] Kim Il-song's objective is not to possess atomic weapons but to normalize relations with the United States and the rest of the international community. He uses the "nuclear threat" as just another asset in negotiations. Let's face it, even with one or a few bombs, what can he do? North Korea's economic situation is terrible. If he does not secure some external aid, economic problems will ultimately topple the regime. Currently, North Korea's GDP amounts to one-tenth of South Korea's. Tomorrow, it will fall to one-fifteenth or one-twentieth. Should North Korea initiate a military conflict, it could probably destroy part of South Korea, but it could never win. I believe there is a logic to Kim Il-song's attitude and that he would not choose a suicidal course of action. He is looking for an honorable way out.

The DPRK changed its view on reunification three times in the last 50 years: Until 1953, Pyongyang attempted to turn the South into a Communist stronghold through military means. It failed. Afterward, and until the collapse of the USSR, North Korea's preferred tactic was subversion. This was a failure as well. From 1991, North Korea made an about-face, agreeing to simultaneous entry of both Koreas in the United Nations (which it had rejected for 40 years). Furthermore, since 1973 when Pak Chong-hi pushed for cross-recognition of the two Koreas (both by the United States on the one hand and China and the USSR on the other hand), Pyongyang has asked Washington to normalize relations. In practice, only Seoul has benefitted from this recognition so far, by establishing relations with Russia and China. On the other hand, no Western country has done the same with Pyongyang. North Korea can only feel isolated, or even betrayed, since it has gained nothing in exchange for the de facto recognition of South Korea as part of the 1991 North-South agreement.

As far as I am concerned, I can see changes in the position of North Korea's leaders (a case in point being the statements made by Kim Il-song on China's successful reformist policy in September 1993), and I think that we must help them transform North Korea, rather than backing them against a wall. I believe in persuasion rather than force: The Cold War did not change the USSR while detente gradually led to the internal collapse of the system. The same goes for Vietnam: France and the United States failed. Another example is Cuba. As for China, change began when Richard Nixon recognized Beijing. Today, I believe that China is no longer a threat to the rest of the world. These lessons from history should make us approach the problem of North Korea in a more realistic and flexible manner, so that the country may start changing.

[Pons] How do you explain the current crisis?

[Kim] On the surface, there is confrontation. However, I think that what is at stake is clear. North Korea is ready to give up its nuclear program as soon as it is allowed to normalize relations with the United States. On the other hand, Washington wants North Korea to give up its nuclear program so that the nuclear nonproliferation treaty can be extended more easily in 1995.

[Pons] Is not this the very "deal" the Americans and North Koreans have been haggling over for months?

[Kim] I believe that mutual stakes and benefits have not been identified clearly enough. In other words, the solution can only be a political one. However, the United States has only pursued an objective of a technical nature: inspection of nuclear sites by the International Atomic Energy Agency. [passage omitted]

Government To Offer Training to DPRK Loggers

SK1905092394 Seoul YONHAP in English 0822 GMT 19 May 94

[Text] Seoul, May 19 (YONHAP)—The government plans to give the five North Korean loggers who arrived Wednesday the opportunity to attend public vocational training centers here according to their goals, aptitude and ability, a senior government official said Thursday.

The loggers, the first allowed to resettle here through consultations between South Korea and the Commonwealth of Independent States, will receive social adaption education first for one or two months before entering vocational training institutes.

The government, however, is studying whether to place them in existing classes at the centers or educate them separately, according to the official.

The five North Koreans, who escaped from Pyongyang-run logging camps in Siberia, arrived here Wednesday afternoon via a third country. It is the first time that the Seoul government has allowed North Korean loggers to resettle here through lawful means.

In preparation for the increase in those wanting to come here after escaping from the Siberian logging camps or North Korean territory, the government is studying formation of a "special training team" to deal exclusively with North Koreans.

But if they want to receive higher education, the government will examine how to enable them to enter colleges or universities, the official said.

The government has tentatively decided to help the North Koreans find jobs after they finish vocational training, and will give them 10 million won (about 12,407 U.S. dollars) each in support for their resettlement.

DPRK Reportedly Asks Russia To Arrest Loggers

SK1905042394 Seoul HANGUK ILBO in Korean 19 May 94 p 1

[YONHAP report from Moscow]

[Text] It has been learned on 18 May that North Korea sent a list of some 40 escaped North Korea loggers to Russian investigation authorities and made a special request to arrest them for extradition to North Korea in accordance with the judicial coordination agreement between North Korea and Russia.

Daily Assesses Problems in Accepting DPRK Loggers

SK1905030694 Seoul THE KOREA HERALD in English 19 May 94 p 2

[By staff reporter Kim Hye-won]

[Text] The arrival here of the first group of five North Koreans who have fled logging camps in Siberia, Russia, yesterday was an event that sheds light on many new aspects of future inter-Korean relations. By arranging the settlement of the North Korean refugees here for the first time, the South Korean government is showing to the world its active involvement in matters related to North Korean refugees. The measure also indicates Seoul's will of not remaining a mere observer in the human rights issues of Pyongyang.

At the same time, by taking an initiative in bringing home the North Korean defectors, the Seoul government has weighed itself down with many new burdens. Firstly the government should take steps to ensure that the North Korean defectors successfully adapt themselves to life here. More important is the establishment of a comprehensive, consistent policy to deal with the problems of the North Korean defectors until reunification. An increasing number of North Koreans are expected to seek refuge in the South as life in the Communist country becomes tougher due to its sagging economy. An exodus of North Koreans to the South cannot be ruled out if the political system there becomes seriously unstable.

Most of all, the Seoul government is required to financially prepare itself for increasing numbers of North Korean refugees here. Under the current law the government provides various kinds of support for resettlement of North Korean defectors, including financial help. But when their number increases to hundreds, thousands or beyond, it will be virtually impossible for the government to take responsibility for all the North Korean defectors. Unofficial counts say up to 2,000 North Korean escapees are already living in China alone.

Several problems concerning the North Korean loggers in Russia are also to be resolved. Government officials say some 170 workers have fled their camps in Siberia and 90 of them have expressed their intentions to resettle in the South.

Seoul has already announced the repatriation of all the applicants but their plan hardly seems plausible at the moment. The Moscow government is known to allow only North Koreans with permits for residence in Russia to leave for Seoul in order to avoid any friction with North Korea over the issue. But this restriction diminishes to a considerable degree the original purpose of repatriating the North Korean loggers.

Under domestic Russian laws, this permission is given only to foreigners who are married to Russian citizens or those who have stayed in Russia for over two years. The applicants need to present passports to confirm their nationality. Political considerations also affect the

screening of applicants. Most of the five North Koreans who arrived here yesterday belonged to this category. But most North Korean escapees in Russia do not hold residence permits as they usually failed to carry passports when they left the logging camps. The camps keep the passports of workers to prevent them from fleeing. South Korean officials admit that those who do not qualify for Russian residence permits are the ones who really need to come to the South. Those who have already obtained permission are not in a need to hurry to the South as they have led a comparatively stable life in Russia, they say. The officials refused to give details on how many of the five North Koreans who came to Seoul on the day hold residence permits and how many do not. But it is presumed that one or two do not have permits.

DPRK Not To Participate in Hiroshima Asian Games

SK1905031094 Seoul YONHAP in English 0237 GMT 19 May 94

[By Kim Tae-yong]

[Text] Seoul, May 19 (YONHAP)—The Asian sports world is in a state of shock after North Korea decided not to participate in team events at the Hiroshima Asian Games this October.

North Korea had been expected to take part in the Asian sports festival to try to promote sports exchanges with other countries and solidify its relations with Chochongnyon, a pro-Pyongyang organization of Korean residents in Japan.

The Hiroshima Asian Games Organizing Committee (HAGOC) announced Wednesday that North Korea sent a message earlier in the day conveying its decision not to participate in the team events of the Asian Games.

The deadline for the team events was May 5, while that for individual events is July 4.

"It must have been a difficult decision," a government official here said, "because if Pyongyang does not attend the Asian Games, it will be further isolated from the rest of the world."

North Korea is already isolated politically because of its suspected nuclear ambition and economically because of its state-controlled socialist system, which has held it from joining such bodies as the General Agreement on Tariffs and Trade (GATT) or world Trade Organization (WTO).

Compounding the problem, the reclusive state has skipped several international sports competitions.

North Korea has failed to participate in a recent series of major international events including last year's summer universiad in Buffalo, New York, and the winter olympic games held in Lillehammer, Norway, in February.

If Pyongyang chooses not to attend the Asian Games being held in a neighboring country, Japan, then it may be

because of political or economic reasons—not issues related to sports, according to the official.

Pyongyang did not specify its reasons in notifying HAGOC in the name of North Korean Olympic Committee President Pak Myong-chol, nor did it comment on whether it would participate in individual events, according to HAGOC.

North Korea did not take part in several international sports events in the past for political reasons.

For example, it refused to attend the 1984 Los Angeles Olympics following the line of Moscow, and it did not compete in the 1986 Seoul Asian Games and the 1988 Seoul Olympics.

Although Pyongyang sent teams to the 1990 Beijing Asian Games, the 1992 Barcelona Summer Olympics and the 1993 Winter Universiad in Zakopane, Poland, it avoided international sports competitions again from the 1993 Summer Universiad in Buffalo.

Meanwhile, Pyongyang's likely absence from the Asian Games is frustrating Seoul's plans to revive inter-Korean sports exchanges and thus promote overall North-South relations, according to officials.

South Korean sports officials originally planned to contact their North Korean counterparts to revive inter-Korean soccer and table tennis matches and discuss promoting overall inter-Korean sports exchanges.

Moreover Seoul, trying to win the right to host the 2002 world cup soccer finals, hoped to meet with senior sports officials from Pyongyang at the Hiroshima Asian Games to discuss co-hosting of the world event. Now, Seoul cannot expect such contacts.

*** Despite Tension, N-S Trade Continues To Grow**
942C0114A Seoul SISA JOURNAL in Korean 21 Apr 94 pp 78-79

[By reporter Nam Yu-chol]

[Text] Despite the political and military tension on the Korean peninsula over the nuclear issue, North-South trade continues to grow. The scale of direct and indirect trade between North and South Korea in 1993 was \$186,591,000 (on the customs clearance basis), as much as a 7.6 percent increase over the 1992 level. In the recently released "Trends in North-South Exchanges and Cooperation," the National Unification Board says: "This scale of North-South trade is not small at all considering the fact that South Korea ranks fourth after China, Japan, and Russia in North Korea's volume of foreign trade, which is estimated at approximately \$2.6 billion in total."

With the trend toward increasing North-South trade, South Korea's trade deficit with North Korea continues to grow. In 1993 the volume of North Korean goods purchased by South Korean firms totaled \$178,166,000 whereas the volume of South Korean goods purchased by North Korea totaled \$8,425,000. As a result, South Korea

recorded a trade deficit of \$169,741,000 with North Korea. South Korea's accumulated trade deficit with North Korea since North-South trade began in 1989 has reached \$451,893,000, indicating that South Korean firms continue to "buy goods from North Korea."

Despite the accumulating trade deficit, the volume of goods shipped to North Korea continues to decrease whereas the volume of goods brought in from North Korea continues to grow rapidly. Compared with 1992, the volume of goods shipped to North Korea decreased by 20.2 percent whereas that of goods brought in from the North increased by 9.4 percent. (Our government regards trade between North and South as domestic transactions and uses the terms "goods brought in" and "goods shipped out" for "imports" and "exports.")

Steel and metals lead the list of purchases from North Korea last year, accounting for 80.3 percent of the total. The reason is that North Korea abounds in gold nuggets, zinc, and other minerals, and South Korean firms view them as "profitable items." Walnuts, medicinal herbs, and other agricultural and forestry products rank second in the list of items preferred, accounting for 8.5 percent of the total amount of goods purchased from North Korea. Textiles ranked third, accounting for 5.9 percent. Except cotton towels, most of the textile goods shipped from North Korea, such as trousers and shirts, were processed in North Korea for South Korean firms on a commission basis.

Fibers leads the list of goods shipped to North Korea in 1993 accounting for 70.4 percent of the total volume, indicating that the import of textiles manufactured by commissioning sharply increased last year. South Korean firms supply Tetron fibers, cotton fibers, and other raw materials to North Korea, and North Korea manufactures textiles by using these materials and ships the finished products to South Korea or third countries. The volume of trade in goods processed in this manner, with textiles on the top, has increased more than seven times over the 1992 level, indicating that South Korean firms are very much attracted to North Korean light industry goods manufactured by using low wages.

With our technicians not allowed to visit or stay in North Korea, it is impossible to provide the on-site technical guidance necessary for processing by commissioning. Our firms think that as long as this problem remains unsolved, it will be difficult to maintain the rapid pace of increase in the volume of trade in goods processed by commissioning. Included in the goods shipped to North Korea that were reported to the National Unification Board are: color television sets, 508 tons of soap, and 270 sewing machines.

Despite aggravating tension on the Korean peninsula, the number of South Korean firms desiring to trade with North Korea has been steadily increasing. Last year South Korean firms engaging in trade with North Korea numbered 132, or an increase of nine over the 1992 figure. The major firms leading in trade with North Korea are mostly general trading firms of conglomerates, such as Samsung Co., Lucky-Goldstar International Corp., Daewoo Corp.,

and Sorin Metals. These four companies accounts for 73.2 percent of the total volume of goods brought in from North Korea last year.

The Samsung Co. led in terms of the approved amount of goods shipped to North Korea with \$2,961,000 as it did in terms of the volume of goods brought in from North Korea, with Sunkyoung, Ltd. and the Daewoo Corp trailing behind. Ten companies recorded over \$1 million each in the accumulated total of exports to North Korea since 1988.

Last year as in the preceding years, indirect trade through overseas intermediaries was the main form of trade between North and South Korea. Indirect transactions account for 98.3 percent of all trade between North and South. North Korea does not yet officially approve North-South direct trade. Despite North Korea's official stand that it "will not trade with South Korea," the number of cases of direct trade increased from 11 in 1992 to 14 in 1993. According to concerned sources, the number of North Korean offers of direct trade has noticeably increased since early this year.

These sources take the increasing offers of direct trade as a reflection of the worsening economic situation in North Korea. In trade with North Korea, large South Korean firms offer the most favorable conditions such as the payment of cash because their business strategy toward North Korea is aimed at expanding business ties with it even at the risk of losses.

Business sources say that the actual scale of North-South trade is larger than the government statistics indicate. Only those transactions that are reported to the government for the purpose of obtaining exemptions from customs are included in the government statistics. Companies report their transactions to the government on a selective basis for various reasons. In the case of indirect trade, it is practically impossible for the government to determine which are the ultimate receivers of goods and which are the ultimate shippers.

Our government has time and again enunciated its position of linking North-South economic cooperation to the nuclear issue, namely, the position that it will not agree to North-South economic cooperation as long as North Korea refuses to settle the nuclear issue. However, the abstract term "North-South economic cooperation" as used by our government should be interpreted as meaning "investment" only, not including "trade." The reason is that what the government is actually prohibiting is nothing but investment in North Korea, and despite tension aggravated by the North Korean statement about "turning South Korea into a sea of fire," direct and indirect trade between North and South Korea has been growing steadily.

Daily Reviews Status of U.S.-ROK Forces Pact

SK1905030994 Seoul THE KOREA TIMES in English
19 May 94 p 3

[By staff reporter Sim Chae-yun]

[Text] Whether or not to rewrite the Status of Forces Agreement (SOFA) is emerging as a major pending issue between South Korea and the United States with civil organizations and activists raising voices for a sweeping reform of the pact which they claim is uncommonly unfair.

Their demands appear to have gained momentum following the Tuesday transfer of a U.S. serviceman convicted of killing a Korean bar hostess to a local prison to begin his 15-year jail term. The National Campaign for Eradication of Crime by U.S. Troops in Korea yesterday issued a statement welcoming the decision to have Pvt. Kenneth Markle, 22, of Keyser, West Virginia, begin serving his sentence at the Chonan Juvenile Penitentiary, 150km southwest of Seoul. The body has 24 nationwide activists' organizations as its fraternity members including the National Alliance for Democracy and Reunification, Korean Federation of University Students, and Korean National Council of Churches (KNCC). It has led a series of campaigns to put an end to crimes by U.S. soldiers here and to revise the SOFA. It plans to hold a public hearing in October on the SOFA revision with a view to coming up with a singular draft bill to be submitted to the relevant ministries and the National Assembly, in addition to a nationwide move to collect signatures to this end.

What is cited as the most problematic point in the SOFA is that the government has failed to exercise jurisdiction rights over crimes committed by U.S. soldiers, campaign leaders said.

According to data compiled by the body, the crimes by U.S. soldiers from 1967 through 1987 numbered 39,452, of which only 234 or 0.6 percent were handled by the government authorities. This is extremely unfair compared to the cases in the similar U.S. agreements with NATO countries, Japan and the Philippines. The percentage of cases in which the nations exercised jurisdiction over the U.S. troops marked 32, 32 and 22 percent, respectively.

"As a matter of fact, Koreans are exposed to crimes by U.S. troops without proper legal means to be protected, due to biased articles in the SOFA," said Cho Chae-hak, chief secretary of the body.

Some 850 criminal cases involving U.S. troops occurred from October, 1992 through last August, with only 10 cases dealt with by the prosecution authorities, according to the Justice Ministry report to the National Assembly. In most cases the Korean government had to transfer American military criminal suspects to the U.S. military authorities because of the regulations under the SOFA. Even in cases when the government authorities exercise jurisdiction, the soldiers can be confined to facilities in the U.S. bases in accordance with the SOFA.

SOFA was signed in 1967 and was revised in 1991 first to scrap a clause under which the Korean government shall give up its jurisdiction if it fails to exercise it within 15 days after a crime. "But the newly-introduced point is thought to be virtually moot because it entails exceptions,

as it empowers the U.S. side to remand the U.S. servicemen upon request, thus depriving the Korean government of the judiciary right," Cho said.

It also stipulates the Korean government should offer favorable treatment for the suspected U.S. soldiers upon request, thus enabling them to be put into a U.S. jail. What is a serious problem concerning the "unfair" accord is the attitude of the prosecution authorities who tend not to be positive in exercising jurisdiction, even within the possible scope, Cho claimed.

Officials Explain Foreign Minister's Return

SK1705064594 Seoul YONHAP in English 0559 GMT 17 May 94

[Text] Seoul, May 17 (YONHAP)—Foreign Minister Han Sung-chu, currently on a tour of Southeast Asia, stopped over in Seoul to attend a garden party for foreign diplomats hosted by the president Tuesday afternoon.

Han, who completed the schedule at his first stop in Manila, will leave for his next destination, Bangkok, after the event at Chongwadae (presidential residence) so he can get some rest on a trip that also takes him to Vietnam and Indonesia.

Ministry officials explained that it is customary for the foreign minister to attend the annual party for foreign envoys at this time of the year. They made it clear that there was no urgent reason for Han to fly back home during his overseas trip. The minister's one-day return was scheduled long before he embarked on his tour and, therefore, Thursday was left free, they said.

Argentine Economic Minister Urges ROK Investment

SK1805014994 Seoul YONHAP in English 0119 GMT 18 May 94

[Text] Seoul, May 18, (YONHAP)—Argentine Economic Minister Domingo Cavallo, saying that the business climate in his country is favorable, urged South Korean businessmen to invest in Argentina.

"Now is a good time for Korean business enterprises to invest in Argentina," Cavallo told a press conference held Tuesday at Hyatt Hotel in Seoul.

Argentina's economy is opening up speedily with 90 percent of state-run companies having been privatized, he said, adding: "In particular, we welcome Korean investment in automobile and electronics sectors."

Earlier in the day, Cavallo and Korean Vice Foreign Minister Hong Sun-yong signed an investment guarantee agreement. He also met with leaders of Korean business groups including Hyundai, Samsung, Daewoo and Lucky-Goldstar and asked them to invest more in the South American country.

Minister Signs Agreements, Ends Visit

PY1805155394 Madrid EFE in Spanish 0436 GMT 18 May 94

[Text] Seoul, 18 May (EFE)—Economy Minister Domingo Cavallo said that his 5-day official visit to South Korea, which concludes today, has been a total "success." Cavallo said that trade and investments between the two nations will increase as a result of his visit.

The economy minister and Korean Vice Foreign Minister Hong Sun-yong on 17 May signed an agreement for the reciprocal protection of investments in both countries.

Cavallo said that Argentine export of products such as fruit, fish, leather, oils, and beef to Korea, which have recently dropped, will increase significantly in the future.

On 16 May Cavallo met with Deputy Prime Minister Chong Chae-sok and other high-ranking South Korean Chamber of Commerce and Industry officials. Minister Cavallo also met with the directors of large South Korean conglomerates such as the car manufacturers "Hyundai" and "Daewoo" in order to discuss investment opportunities in Argentina with them.

The Argentine minister also talked about the possibility of exploiting Argentina's natural resources with representatives of companies such as "Samsung," the largest South Korean manufacturer of household appliances, and "Lucky-Goldstar," among others.

Cavallo denied reports that Argentina, Brazil, Paraguay, and Uruguay have decided to postpone for three months an agreement on free trade that was scheduled to become effective in January 1995.

Argentina exports mainly agricultural products and raw materials to South Korea, and imports equipment.

Last year the South American country exported a total of \$66 million worth of products to South Korea, some 42 percent less than the previous year, while Argentina imported South Korean products for a total of \$535 million, 15 percent more than the year before.

ROK Fishermen Captured by PRC Boats Returned

SK1705072694 Seoul YONHAP in English 0656 GMT 17 May 94

[Text] Pusan, May 17 (YONHAP)—All 22 South Korean fishermen returned to Pusan Tuesday from a Chinese port, where they were taken after being seized by Chinese patrol boats in the East China Sea for alleged violation of Chinese waters late last month. The return of the fishermen and their boat, the Taehung-ho No. 27, follows an agreement reached between South Korean and Chinese officials last Friday in the southern port of Shanghai. The fishermen, all of whom appeared healthy despite their long detention, said they left Shanghai for Pusan last Sunday, 16 days after being seized.

The Pusan Maritime Police are questioning the fishermen to ascertain the situation at the time of the seizure.

Eleven fishermen from the Songkwang-ho No. 2 were whisked away by a Chinese patrol boat around noon on April 29 in waters 220 miles southwest of Mosulpo, Cheju Island, where they were drifting due to engine failure, the fishermen said.

The Chinese patrol boat was initially tugging the fishing boat but it cut the tow rope when the Songkwang-ho No. 1 gave chase, they said.

About half an hour later the same day, the Taehung-ho No. 27 was seized by another Chinese patrol boat in waters 175 miles southwest of Mosulpo when the fishing boat also suffered engine trouble, they insisted. All 11 fishermen on board were taken away.

China had demanded a fine of 100,000 U.S. dollars for violating Chinese waters and illegal fishing. They later lowered the amount to 13,728 dollars, covering the price of fish allegedly illegally caught by the South Korean boats and the fishermen's living expenses during their detention.

Chongwadae Defines 11 Issues as 'Core Tasks'

SK1905071994 Seoul YONHAP in English 0628 GMT
19 May 94

[Text] Seoul, May 19 (YONHAP)—President Kim Yong-sam's office at Chongwadae, which has been embroiled in unexpected political disputes in recent months, is trying to climb out of the rut and forge ahead by tackling major pending issues.

Since President Kim returned home from visits to Japan and China in late March, it wouldn't be exaggerating to say that Chongwadae hasn't had a single day of respite beginning with the controversial revision of the Uruguay Round trade accord.

This was followed by violent clashes between conservative and reformist monks at the Buddhist Chogye order, a disruption in the wholesale operation of farm and fishery products, the Sangmudae scandal, the problem of resettling North Korean lumberjacks who escaped from logging camps in Siberia and, of course, the seemingly never-ending North Korean nuclear row.

But taking Wednesday—a national holiday—as a turning point, Chongwadae wants to put the series of events behind it and make a fresh start as most of these issues found resolution and government officials are awakening from their much criticized lethargy.

Chongwadae selected 11 "core tasks" on Thursday and proceeded to tackle them. They are:

- Strengthening of the international competitive power of Korean companies through stable labor-management relations and steady push for a new economy,
- International trade and trade policy,

- Measures to spur development of the farm and fishery industries to cope with the effectuation of Uruguay Round accords,
- Expansion of social infrastructure,
- Buildup of an information superhighway network
- Persistent development of advanced technology,
- Steady easing of administrative restrictions,
- Educational reform aimed at boosting national competitive strength,
- Steps to stabilize consumer prices and other aspects related to the people's livelihood,
- Political reform aimed at realizing clean politics, and
- Diplomatic, unification and national security policy.

These are the problems on which Chongwadae wants to work and set forth broad outlines before President Kim visits Russia on June 1, according to sources.

Presidential aides are being careful, however, not to repeat the past pattern when a string of unforeseen events occurred following the return of President Kim from overseas trips. They hope that Kim's visit to Moscow will not be followed by another series of thorny events.

President Kim spent a quiet holiday Wednesday as five North Korean loggers arrived in Seoul for resettlement in the South and the National Assembly settled down to conduct a parliamentary investigation of the Sangmudae scandal.

Kim took the initiative in creating "an atmosphere" in which all government officials can work hard at their given tasks.

He has invited freshmen and sophomore lawmakers from the ruling Democratic Liberal Party to Chongwadae for what his aides called "frank and unassuming" discussions of various problems this week.

The president also met with lower-ranking presidential aides at Chongwadae and gave them a pep talk.

On Thursday morning, he held a meeting of seven junior presidential secretaries on economic affairs and urged them to take the lead in the government's efforts to increase the nation's competitiveness.

"Even if there are some disputes in the political sector, we can tide over any national difficulty as long as the economy moves ahead smoothly," Kim reportedly told the secretaries.

Kim is expected to invite another batch of first- and second-term DLP lawmakers to Chongwadae, including Reps. Sin Kyong-sik, Kwon Hae-ok and Yi Myong-pak, for dinner to express his thanks for their parliamentary work and to ask them to continue striving for political reform.

Kim's meetings with lower-ranking DLP lawmakers or back-benchers and working-level presidential secretaries are unprecedented. In fact, this is seen by many as part of Kim's efforts to soften his image as "a hard president."

Overseas Training for Public Officials Raised*SK1805014894 Seoul YONHAP in English 0116 GMT
18 May 94*

[Text] Seoul, May 18 (YONHAP)—The government, as part of its campaign to boost the country's competitiveness, has decided to increase overseas training opportunities for public officials and widen the training scope of government agencies, international organizations and research institutes.

Two hundred public officials will be trained abroad next year, up 30 percent from 150, according to the 1995 state-funded training program for civil servants released by the Government Administration Ministry Tuesday.

Noting overseas training so far was limited to academic studies and getting degrees, public officials will also be sent to foreign government agencies, international organizations, and think tanks for field studies with a view to raising their practical abilities to handle external negotiations.

Training will no longer be restricted to advanced countries. Eighty officials will be trained at English-speaking countries; 35 in non-English speaking countries like Japan, Germany, and France; 35 in other areas, and 50 in international organizations and research institutes.

Public officials in good standing and recommended by their agencies will be chosen by the end of October after testing their language ability, a Ministry official said.

On returning from their overseas training, officials have to serve two to three years in related posts, he said.

Government To 'Block' Pro-North Student Rallies*SK1905132294 Seoul CHUNGANG ILBO in Korean
19 May 94 p 22*

[Report by Son Yong-tae]

[Text] On 19 May, the government decided to cope strongly with the student movement to thoroughly block pro-North Korean acts benefiting the enemy, while immediately exercising government power against students' radical, violent demonstrations and pursuing and arresting all masterminds.

The government decided this at an emergency counter-measure meeting held at the Supreme Prosecutor's Office at which working-level officials from the Ministry of Education, the National Security Planning Agency, and the National Police Headquarters participated under the presidency of Choe Hwan, superintendent public prosecutor at the Public Security Department of the Supreme Prosecutor's Office.

In accordance with this, prosecutors have begun making a secret investigation into the Committee for the Fatherland Unification and the policy-making committee of the Korean Federation of General Student Councils [Hanchongnyon]—the two committees are virtually pulling the

strings of the activities of the Hanchongnyon—to find out if their acts are benefiting the enemy.

The government also decided to arrest core cadres of the students movement—such as Mr. Kim Hyon-chun, 24, senior in the Shipbuilding Engineering Department of Pusan National University, who is chairman of the Hanchongnyon; and Mr. Yang Tong-hun, 22, senior in the Public Administration Department of Choson University, who is chairman of the Hanchongnyon's Committee for the Fatherland Unification and concurrently chairman of the South Cholla Provincial Federation of General Student Councils; with advance arrest warrants where necessary.

In addition, the government decided to arrest all those involved in trying to make contacts with the North, while thoroughly blocking acts of trying to make contacts with the North through the National Alliance for Youth and Students for the Country's Reunification.

A rally launching the activities of the Hanchongnyon will be held at Choson University [in Kwangju] from 27 to 29 May and the National Children's Sports Meet will be held in Kwangju from 28 to 31 May. Therefore, the prosecutors are going to cope actively with this situation in cooperation with relevant organizations in the Kwangju area so the Hanchongnyon's rally will be held in a peaceful atmosphere and will not interfere with the sports meet.

Since the inauguration of the new administration, the government has thus far maintained a conciliatory attitude toward those in the students movement. The government has now decided to make a swift hard-line change on the basis of its own analyses that recent activities by the students movements have reached a dangerous stage.

TV Networks Not Allowed To Carry 24-Hour CNN Casts*SK1805081694 Seoul YONHAP in English 0626 GMT
18 May 94*

[Text] Seoul, May 18 (YONHAP)—The Information Ministry on Wednesday ruled out the possibility of permitting around-the-clock broadcasting by domestic cable TV networks of Cable News Network (CNN) programs. The ministry thus denied some reports that the government was studying the possibility of allowing CNN programs to be broadcast all day in Korea through domestic cable TV.

So Chong-hwan, director-general of the ministry's broadcast bureau, said the issue will not be discussed any longer as the present laws do not allow all-day broadcast.

"It is a matter to be discussed only after domestic cable TV takes root," said Suh, referring to a government decision adopted at a meeting of officials from the Economic Planning Board and other government agencies related with trade talks with the United States on May 11.

He stressed that all-day relaying of CNN broadcast cannot be permitted under any circumstances as "it is feared to cause serious cultural problems. TV viewers will be made to understand international issues through American

points of view. The broadcast, if permitted, will adversely affect the development of the domestic cable TV," he said.

President Urges Scientists To Intensify Research

*SK1705121594 Seoul YONHAP in English 1108 GMT
17 May 94*

[Text] Seoul, May 17 (YONHAP)—President Kim Yong-sam on Tuesday called upon the nation's scientists and science-related officials to redouble efforts to further develop science and technology.

While presiding over a meeting of the State Advisory Council for science and technology at Chongwadae [presidential office], President Kim emphasized the need of using available science resources most effectively because he said such resources are limited in the country compared with advanced countries. The meeting was called to observe the first anniversary of the advisory council.

The president also asked for the resolute removal of what stand in the way to the nation's internationalization.

"The extent of our internationalization ranks 11th among developing countries, undermining our efforts to enhance the country's international competitiveness," Kim said. Following the meeting, President Kim hosted a luncheon at Chongwadae for the advisory council members led by chairman Yi Sang-ui.

Political Parties Agree To Sangmudae Probe

*SK1705091494 Seoul YONHAP in English 0651 GMT
17 May 94*

[Text] Seoul, May 17 (YONHAP)—Following a month-long tug-of-war, the ruling and main opposition parties finally agreed Tuesday to conduct a parliamentary investigation into the Sangmudae scandal.

The agreement came at a meeting of party floor leaders at the National Assembly Tuesday morning. The assembly is expected to begin the probe right after it approves investigation plans at an extraordinary session to be convened on Saturday.

The accord was the product of a rare compromise worked out between the ruling Democratic Liberal Party (DLP) and the opposition Democratic Party (DP), both of which were well aware of the public's critical eye on the Sangmudae scam.

The scandal involves a medium-sized construction company which received a multibillion won contract from the Defense Ministry to move a military facility called Sangmudae in Kwangju to the outskirts of the city.

The DP alleges that the president of the company siphoned part of the project's profits into a slush fund, which eventually found its way into the ruling circle and was used as campaign expenses during the 1992 presidential election.

The opposition party has demanded that the National Assembly invoke its right to investigate national affairs and find out how the alleged slush fund was used and by whom.

The DLP and DP have been bickering for a month over who should be called as witnesses. The DP finally gave in and agreed with the DLP to limit the number of witnesses to 30, as the ruling party insisted. The opposition party also agreed not to include current and former presidents as witnesses.

As for the probe's length, the two parties had originally agreed that it would last 20 days. The DP demanded that 20 more days be added, however, and the ruling party apparently gave in as a compromise for the issue of witnesses.

In addition, the two sides agreed to trace the whereabouts of checks totaling 27.7 billion won that had allegedly been used by the construction company's president, Cho Ki-hyon.

There is no denying that for ruling party officials, the proposed investigation of the Sangmudae scam is an irksome undertaking, even though the scandal allegedly took place during the administration of Former President No Tae-u.

A parliamentary investigation into the scam would expose many old as well as new members of the ruling party.

Consequently, the DLP is expected to minimize the effects of the investigation as much as possible.

The Defense Ministry and the prosecution have already undertaken separate, thorough investigations into the scam. The ruling party is thus insisting that a parliamentary probe would reveal little else.

Everything that could possibly be known by authorities is already known, and some other aspects alleged by the opposition party have been rejected by the prosecution due to a lack of hard evidence.

What worries the ruling party, therefore, is the possibility that the opposition party will launch a political offensive during the parliamentary investigation, although the DP has already agreed not to call the present and former presidents and lawmakers as witnesses.

Both the ruling and opposition parties would face severe criticism if the upcoming probe failed to produce any substantial results since the DP has managed to plant deep suspicion among ordinary citizens through its unsubstantiated allegations.

*** Large Firms' Entry Into Cooperatives Analyzed**

*942C0115 Seoul CHUGAN MAEGYONG in Korean
20 Apr 94 pp 50-51*

[By reporter: Yun Tok-no]

[Text] Large corporations continue to join small- and medium-business [SMB] cooperatives. Originally, SMB

cooperatives were organized to promote the common interests of small and medium businesses by pooling their efforts. Naturally, their members are primarily small and medium businesses.

No one can categorically say that the interests of SMB cooperatives and those of large corporations are always in conflict with each other. But depending on the circumstances, SMB cooperatives occasionally have to take a position diametrically opposite to that of large corporations.

Despite the primary characteristics of SMB cooperatives, cases of large corporations joining SMB cooperatives as their members have increased steadily for the past several years.

As a matter of principle, large corporations can become SMB members only with the approval of the SMB cooperatives concerned. Large corporations are admitted into SMB cooperatives when small and medium businesses need them and vice versa for mutual cooperation and interests. But according to cooperatives, there are some side effects.

As of the end of this March an additional seven large corporations joined five SMB cooperatives so far this year: Hyundai Heavy Industries Co. joined Korea Electrical Manufacturers Cooperative; Korea Tungsten Mining Co., Hannong Co., and Koyang Furnace Industry joined the Korea Industrial Furnace Cooperative; and Hankuk Glass Industry Co. joined the Korea Glassware Industry Cooperative; Iljin Corp. joined the Korea Geographic Information Cooperative; and Koryo Industry Co. became a new member of the Korea Corrugated Cardboard Producers Cooperative.

Last year 21 large corporations joined 15 SMB cooperatives. For instance, Anam Electric Industrial Co., Tongyang Precision Co., and Korea Xerox joined the Korea Electronic Industry Cooperative; Samsung Electronics Co. joined the Korea Electrical Manufacturers Cooperative; and Hyundai Electronics Ind. Co. joined the Korea Communications Cooperative.

In 1992 as many as seven large cooperations joined the Korea Electronic Industry Cooperative. They are: Goldstar Communications, Samsung Electron Devices Co., Hyundai Electronics Indus. Co., Goldstar Information Communication Co., Daewoo Communications, Tongyang Nylon Co., and Koryo Systems. In addition, the Lotte Machine Manufacturing Co. and the Mando Machinery Corp. joined the Incheon-Kyonggi Machine Manufacturers Cooperative. In all, 15 large corporations joined eight SMB cooperatives in 1992.

Of the total 588 SMB cooperatives, 94 have large corporations among their members.

The combined membership of SMB cooperatives totals 46,500, of which 307 are large corporations, accounting for 0.66 percent. The Samsung Electronics Co. and Hyundai Heavy Industries Co. are among the largest corporations in our country. Most of the largest corporations in the

country are among the members of SMB cooperatives, which are primarily for small and medium business firms. The case of Korea Electronic Industry Cooperative is most conspicuous, with 20 large corporations accounting for 4.6 percent of its total membership of 434 firms.

In the case of the Korea Pharmaceutical Production Industry Cooperative, eight of its 173 member firms are large corporations, accounting for 4.6 percent of the total membership. The percentage is 3.8 percent in the Korea Communications Cooperative, and 3.5 percent in the Korea Electrical Manufacturers Cooperative.

A large corporation can apply for membership in a SMB cooperative with the recommendation of five member firms when its admittance is deemed necessary for subcontract transactions, business alignment, technology transfers, the procurement of raw materials and parts, and other purposes for the development of small and medium businesses. When the cooperative's board of directors approves the application, the applicant can become a member of the cooperative. However, the number of large cooperations in any single cooperative cannot exceed 5 percent of its total membership.

In admitting large corporations, the SMB cooperative concerned has a decisive voice inasmuch as membership applications are subject to the approval of the co-op's board of directors.

The purpose of large corporations in joining SMB cooperatives is to maximize the mutual interests of large corporations and cooperatives.

First of all, the admittance of large corporations into SMB cooperatives has some positive facets in securing cooperation between large corporations and SMB cooperatives in areas such as technology transfer, subcontract transactions, and information on overseas markets.

In addition, large corporations and SMB cooperatives can promote their common interests by jointly participating in free group contracts. When an SMB cooperative cannot fulfill by itself the obligation to supply a certain amount of goods assigned to it under a free group contract, it can do so by admitting large corporations as its members. For their part large corporations can secure an outlet for their products by participating in free group contracts.

Large corporations cannot account for more than 20 percent of the total amount of goods supplied by SMB cooperatives under a free group contract. In reality, survey shows that the amount of goods actually supplied by large corporations under free group contracts is slightly over 5 percent of the total contract volume.

According to Korea Federation of Small Business, large cooperations accounted for 5.7 percent of the total amount of goods supplied by SMB cooperatives in the first half of 1993 under free group contracts.

The percentage allocated to large corporations in the total volume of supplies provided by SMB cooperatives under free group contracts slightly decreased from 7.6 percent in

1990 to 6.5 percent in 1991. Still, the portion of goods supplied by large corporations is not small. Large corporate members of SMB cooperatives participate in free group contracts of SMB cooperatives only where small and medium firms alone cannot fulfill their contract obligations.

Another reason large corporations are admitted into SMB cooperatives is that their admittance enables SMB cooperatives to seek common interests through joint purchases and other means. With the participation of large corporations in joint purchases, the unit cost can be lowered through a larger purchase volume. Large corporations for their part can enjoy the benefit of purchasing necessary raw materials and parts at lower prices.

For small and medium enterprises admittance of large corporations into SMB cooperatives can have the effect of preventing competition with large corporations in competitive bidding, according to concerned officials of SMB cooperatives. They say that by admitting large corporations as their members, SMB cooperatives in some cases can avoid competitive bidding with large corporations and succeed in signing free contracts on their initiative.

It is also pointed out that admittance of large corporations into SMB cooperatives has other positive aspects in promoting cooperation between large corporations and small and medium business in areas, such as information on overseas markets, technology transfers, and subcontract transactions. However, it is noted that admittance of large corporations has some negative side also. For instance, depending on circumstances, large corporations for their own interests may have a greater voice in the management of SMB cooperatives.

In some cases small and medium enterprises may find their voices drowned out by the louder voices of large corporate members when it is necessary to make a decision contradictory to the interests of the large corporations. In reality, in some cases large corporations join SMB cooperatives as an expedient way of staving off the opposition of small and medium enterprises.

Wishing to enter the lunch-box business, a certain company M attempted to join the relevant SMB cooperative, but it failed because of the deep-rooted antagonism between it and small and medium member firms of the cooperative.

Admittance of large corporations into SMB cooperative has both positive and negative sides. Concerned officials of cooperatives say that in the final analysis it is important to bring masterly management skills into play in order to maximize the mutual interests.

*** Kim Yong-sam's Military Relations Discussed**
942C0107A Seoul SINDONG-A in Korean Apr 94 pp 194-204

[By Yi Sang-ki, HANGYORE political reporter: "Kim Yong-sam, Yi Pyong-tae and the Hanahoe Generals"]

[Text] The periodic spring personnel changes, announced every April, has become a focus of attention inside and outside the military as the time draws near. They are the first regularly scheduled changes under Defense Minister Yi Pyong-tae, an ex-member of Hanahoe—the No. 1 target of reform last year—and, therefore, how he will treat Hanahoe officers is a matter of great concern.

The upcoming announcements are especially noteworthy in that they will provide a clue to the future direction of the Kim Yong-sam government's control of the military. Therefore, it is not a bad guess that both the military leadership and Chongwadae are in agony over this process confronting them. In that agony, merits and demerits of reforms last year are evidently working as a guide.

Aside from how Hanahoe officers will be treated, the coming changes are drawing attention to such questions as: Whether or not the command leadership will be replaced, and if they are, how extensively, and how substantially the newly created Deliberation Committee on Proposed Appointments will exercise its screening power. Also noteworthy will be changes involving Navy and Air Force officers. Also, a great majority of officers, remembering that the fall personnel changes last year were affected by considerations of private connections with the command leadership, are interested in knowing whether the problem will be corrected this time.

Informed military sources forecast that the upcoming changes will be kept within a narrow range. In substance, however, they are of important significance in that they are to show the will of the supreme commander and the future direction of his personnel management.

Speculation that the April changes—which may be moved up to late March because of the president's scheduled visits to Japan and China and the need for an early stabilization of the military—will be on a small-scale are based on the following factors:

First, President Kim, through five or six shakeups he carried out last year, has established his control over the military and is confident of his leadership as supreme commander. In other words, the president must have decided, they say, that there no longer exists the possibility of the military challenging him or rebelling against him. It can be said that the experience gained from the side-effects of the frequent shakeups last year—which even caused vacillations among commanding officers in some units—also contributed to this observation.

Therefore, the president clearly intends, they claim, to use maximum restraints on unnecessary changes for the sake of stability within the military. In addition, there was the death of Cho Kun-hae, chief of the general staff [CGS] of the Air Force, in the line of duty in a helicopter crash on 3 March. It is feared that another sweeping shakeup at this time could plunge the military into a vortex again.

In his speeches to the commencement exercises of the Army, Navy, and Air Force academies, held successively on 2, 4, and 8 March, President Kim said that "there were times when the honor of the great majority of our military

personnel treading their honorable path was undermined." He gave the impression that it was not the same president who dismissed Kim Chin-yong as the CGS of the Army and So Wan-su as the commander of the Defense Security Command [DSC], in a blitz about this time last year.

"The military life is a difficult and severe one. But it is an honorable one for the fatherland and the nation," the president declared for the sake of the honor of the military. He pledged to pay greater attention to lifting the morale of personnel as well as to programs for science-based national defense and the training of specialist manpower. In other words, the president, who consistently had relied on the "stick" in military management, has now promised the "carrot."

The general observation is that as a result of such changes in the president's policy and perception toward the military, he will likely give priority to stability and consequently will avoid replacing the Army's top leadership after all.

In fact, at a year-end Chongwadae dinner party for major commanders of each service last year, President Kim, in his conversation with Army CGS Kim Tong-chin, referred to reports of shells that had fallen on school playgrounds, chiding him that "there is some laxity in the Army these days." But the president called in the CGS to Chongwadae in February this year to encourage him, it was confirmed.

Since it is viewed as a certainty that there will be no reshuffle of the leadership of each service, it will be noteworthy whether the Ministry of National Defense [MND] and the leadership of each service will be able to achieve stability and harmony through the upcoming changes and, at the same time, resolve the private organization issue in an amicable fashion.

It can be said that the authority over the changes was, in effect, transferred to the MND minister and the chiefs of staff of the respective services. This is because it has become virtually certain that there will be no changes this time involving four-star generals, which are normally made by the president in person. Although some in the Army think that Gen Kim Chae-chang (18th class of the Military Academy [MA]), deputy commander of the Combined Forces Command [CFC], will be replaced because he is a Hanahoe officer, a majority believe that he will be retained because he was appointed by President Kim and, moreover, is outstanding as a military diplomat with the U.S. authorities and as a leader of operations.

Even if there are no direct personnel actions by Chongwadae for the foregoing reason, it is still doubtful that the present military leadership, including MND Minister Yi Pyong-tae, Army CGS Kim Tong-chin, Chief of Naval Operations Kim Hong-yol, and Air Force CGS Kim Hong-nae, will independently exercise their rights of personnel management; rather, Chongwadae is likely to influence them one way or another. "It proves that the military has been accustomed to the exercise of its rights by Chongwadae throughout last year," officers say.

Meanwhile, under the military personnel law revised late last year, a committee to consider proposed changes involving general officers was created to bolster the MND minister's authority. How the MND minister will exercise his strengthened authority remains to be seen. In the past, the MND minister's authority over CGS-recommended promotions for general officers was a mere formality; however, the new law empowered him to examine and screen the proposed promotions.

It is worthy of note that, unlike the days of former MND Minister Kwon Yong-hae when the minister and the Army CGS formed a single, vertical command system, currently they are from the same MA class and this is another factor drawing attention to the coming personnel changes. In particular, MND Minister Yi Pyong-tae's background relating to Hanahoe—the private organization whose members CGS Kim Tong-chin decided last year to exclude from considerations for promotions in principle—is complicating the situation, making it difficult to work out adjustments until the last minute, according to reports.

Since the MND is exercising its screening power for the first time, it is of course expected to go all the way trying to coordinate with each service on their lists of officers to be considered for promotions. Therefore, military sources foresee that there will be no cases of proposed promotions being turned down by the MND.

Consequently, actions on Hanahoe officers will inevitably be a focus of the spring personnel changes after all. On this point, the general observation is that MND Minister Yi, who is one of them, has no plan yet. He himself has on no occasion given any hint at all on his attitude toward Hanahoe.

After Col Paek Sung-to (MA 31st class) distributed a Hanahoe namelist in early April last year, officers whose names were on the list, even including field-level officers, were put at a disadvantage in their military life last year. The eyes of these officers and of outsiders are now fixed on the Army leadership to see if they will be again refused to be considered for promotions/reassignments this year again.

Former MND Minister Kwon Yong-hae and Army CGS Kim Tong-chin made it clear last year that "Hanahoe officers will be put at a disadvantage in terms of promotion in the first year, they will be treated on the same basis with their colleagues of the same MA class from the second year on." If so, there will probably be a relief for them this year.

However, since Yi Pyong-tae was installed as MND minister last year, there has been an atmosphere surging in the military stifling a settlement on the Hanahoe since. Meanwhile, in a year-end interview with Chongwadae reporters, President Kim explained his action in appointing Yi to the MND post, saying that "although he belonged to Hanahoe, he had never been a leader of it. Moreover, he has a strong will for reform." As seen in that remark, Chongwadae seems to be shifting to appeasement in resolving the Hanahoe issue.

On the other hand, an anti-Hanahoe climate, combined with an anti-Yi Pyong-tae mood, has brought a high wind to the Army, according to informed sources. In his first days as MND minister, Yi, like Don Quixote, inundated leaders of each service with directives, which led to the creation of an Army "7-Day Camping Team"—and after debates, the team issued a report defining Hanahoe as the "enemy within," binding Yi hand and foot.

It occurred in early January. As contents of the report were partly leaked to media, they resulted in narrowing Yi's options, whose obtrusive acts already had caused strong distrust among military leaders in resolving the Hanahoe issue, according to sources familiar with affairs inside the military.

Until immediately before that, or late December, Yi reportedly had been planning to complete actions on Hanahoe generals with no more than the releases of Kim Sang-chun (MA 19th class, director of the operational planning headquarters of the Joint Chiefs of Staff [JCS]) and Yi Tae-hyong (MA 19th class, director of the war potential planning headquarters of the JCS) from their respective posts. However, as the 7-Day Camping Team report defining Hanahoe as the "enemy within" was leaked, it inevitably narrowed Yi's options on the Hanahoe issue.

The anti-Hanahoe offensive escalated, forcing the Army leadership to attempt to persuade Hanahoe generals on the Army Headquarters Policy Committee and those awaiting their retirement to voluntarily retire from active service. In January, Kwak Tong-to (MA 21st class, major general) visited Lt Gen Yi Taek-hyong and Lt Gen Ham Tok-son (both MA 20th class, former 11th Corps commanders) and Kim Chong-pae (MA 20th class, former 3d Army commander) separately, who were moping away their time in the Policy Committee research room next to the Army Headquarters Seoul office in the MND building, to advise them to retire on their own.

The generals, except one, refused to follow the advice. Some of them expressed their displeasure, saying that "it could be different if the CGS in person comes to see me on that but....," according to reports.

They are said to have stated that "for us, it is not a big thing to retire, but we find it absolutely unacceptable unless there is a measure taken to rehabilitate those junior officers who were discriminated against merely because their names were on the reported list." Some were known to have even mentioned the legal retirement-age clause. Others rejected the idea of voluntary retirement, saying such retirement can be compared to dishonorable discharge.

Thus, the Army leadership's effort to coax Hanahoe generals into retirement ended in failure. To be exact, however, nobody in the military, even among Hanahoe officers themselves, believes that they can make a comeback from where they are awaiting their retirement.

Meanwhile, away from those lieutenant-general or major-general level officers who are either on the Army Headquarters Policy Committee or officially awaiting their retirement, there are the cases of Hanahoe generals still active in field army, MND or JCS posts. As for the latter cases, it is rumored that they will be possibly rescued on a selective basis. Such rescue of course will more likely take the form of reassignment rather than promotion, according to informed military sources.

Based on these speculations, it is also said that in the reassignments of field-level officers being announced after the spring changes for generals, the scope of reassignments for Hanahoe officers in particular will be considerably expanded.

Of the lieutenant-colonel and colonel-level field officers who graduated from the MA in the 27th-36th classes, approximately 10 Hanahoe officers in each class were demoted last summer from their key positions in the so-called big three commands—the Capital Garrison Command, the Special Force Command and the DSC—or from major posts in the Personnel Management office of the Army Headquarters, the Personnel Staff Headquarters, the MND and the JCS to leisurely assignments in educational centers or other front-line or rear units.

What sort of reassignments they will get will inevitably draw attention because they are linked to the rescue for them in the periodic fall promotions later this year. Commenting on the issue of field-level Hanahoe officers, a high MND official said that "since it is a very delicate problem, the MND has not yet adopted an official position. But I expect that when it does, it will be in favor of their rescue." "Whether they are rescued or again passed over for promotions, there will be repercussions. In that case, it will be wise to minimize sacrifices," he noted.

The same official added that the shift to stability, solidarity, and enhancement of the morale in the president's new policy for the military is another factor backing up that possibility.

Concerning the question of treatment for field-level Hanahoe officers, a considerably large number of personnel pointed out that several factors other than such high policy-level considerations will work as variables.

Needless to say, it is true that some in the military are persistently demanding—as the 7-Day Camping Team report did—that Hanahoe officers be removed. Their point is that they had received special favors as Hanahoe members in the past in promotions and assignments, and that as such, they are negative elements damaging solidarity of the military and, therefore, should be rooted out. Otherwise, it is impossible to hope for the development and reform of the military, they contend.

Their contention, however, became less persuasive as time passed over the past year, according to analysts. In the process of military reform, the removal of Hanahoe did not produce an idealistic picture as anticipated. To make it worse, the sparks began flying in an undesirable direction. Rumors widely circulating have it that posts vacated by

Hanahoe officers were filled by people having personal school, regional, or service ties with the leadership formed after the start of the new government, causing discontent and distrust in the military.

In other words, factionalism and flattery are widespread in the military in the wake of such display of favoritism, even to the extent of creating a climate filled with nostalgia for the past. The following is a comment by Lieutenant Colonel "K", a non-Hanahoe officer working in an educational center which had been a place for about-to-retire officers before becoming a "place of exile" for Hanahoe officers:

"It is understandable that under the new government, those who had received special favors as Hanahoe members in the past were demoted from their posts for the sake of balance with other officers. However, I cannot understand why they had to be reassigned to an educational center. They are the people who were telling us that education is the most important thing; it is clearly contradictory that they send them to an educational center now. How could an education center could be a place of exile? When they saw the announced promotions in the periodic fall changes last year, some of which could have been totally unthinkable in the past, I heard many say that 'the old days were still better.' Speaking of colleagues in my unit, they had first disapproved of Hanahoe officers but, after months now, those who are sympathetic with them for their capabilities and their attitudes are rapidly increasing in number."

Officers maintain that this sort of sentiment in the minds of non-Hanahoe officers is fueling dissatisfaction with the present Army leadership.

Some of them, along with Hanahoe officers, unhesitatingly complain that "the personnel changes last year were, in a nutshell, reassignments and promotions to fill Hanahoe-vacated posts with cronies of the military leadership." According to them, "the military leadership is taking advantage of the vacuum and, under the pretext of reform, is preoccupied with expanding its own influence." They contend that friction, factionalism and the feelings of helplessness are spreading in the military and that there is an urgent need to correct the situation. What they say is increasing its persuasion.

Chongwadae announced in a self-appraisal in February that the army-level commanding officers (four-star generals) were all replaced in the first year of the Kim Yong-sam government. Also replaced in this period, it said, were 73% of the corps-level commanders (lieutenant generals) and 63% of the division-level commanders (major generals). The who replaced them in this process were generals of the "new power group" of the single-line influence represented by Kwon Yong-hae, former MND minister, and Army CGS Kim Tong-chin, officers say.

Some people are apprehensively concerned that since Yi Pyong-tae took over as MND minister, however, there have been signs of the single command channel breaking into a dual one. According to them, the military in the

Sixth Republic days could maintain its balance under the watchful eyes of Hanahoe from the Fifth Republic and the 9.9 [9th Div., 9th Airborne Brig.] clique; nowadays, however, the 9.9 clique, along with those close to former MND minister Kwon and CGS Kim, formed the power group and this group is thoroughly blocking Hanahoe and other rival groups.

Among the generals of the new power group, some are capable and well qualified, like Lieutenant General "K" and Major General "H" in the MND and Major General "L" in the Army Headquarters, while others are apparently ill-qualified for their posts. Those riding on their private relationships with the military leadership have become objects of distrust among junior officers.

In extreme cases, some generals are bent on finding a pull with Chongwadae, National Assembly and other political personages, not to mention the military leadership. Rumors circulating in the military have it that some even went all the way to Koje Island at the beginning of the year to perform a formal New Year's bow to President Kim's father, Kim Hong-cho.

In the military today, the following people represent about all promoted by Kwon Yong-hae in his minister days: 3d Army Commander Yun Yong-nam (MA 19th class) and MND Policy Office Director Cho Song-tae (MA 20th class) who had been both Kwon's policy planning officers in the MND when Kwon was vice minister; 9th Corps Deputy Commander Yim Chong-sop (MA 22d class; former chief of the personnel staff) and Infantry School Commandant Pyon Kil-nam (MA 22d class), who were respectively the commander of the 6th Division infantry regiment and the artillery regiment when Kwon was the commander of that division; and Field Division Commander O Nam-yong (MA 24th class), who was Kwon's aide.

It is different with Army CGS Kim Tong-chin. A graduate of Kyongbok High School, which turned out many personages currently active in power circles, he served in all types of field and policy posts, including 1st Div. commander, 5th Army commander, MND Policy Office director, and ROK-U.S. CFC deputy commander. Thus, he is said to have developed much broader personal ties than Kwon.

First, among those who graduated from the same high school after him are: Maj.Gen. Sin Yang-ho (MA 22d class) of the JCS, Hanahoe officer; Chon Kwan (MA 23d class) and Kim Hui-sang (MA 24th class), both commanders of major divisions in the metropolitan area; and Maj.Gen. Hong Sun-ho (ROTC 4th class), rear division commander.

Lieutenant Colonel "H", currently assigned to a major post in the DSC as successor of a Hanahoe officer, is another person drawing attention inside and outside the military because he is another Kyongbok High graduate.

A fairly large number of general officers who had been his colleagues in the service were promoted by CGS Kim and, for that reason, people often bear them a spite regardless of their abilities.

To Il-kyu (MA 20th class), commander of the Capital Garrison Command, served as deputy chief of staff when CGS Kim was CFC deputy commander; Brigade Commander "K", promoted to the present post last year, was Kim's colleague when they were both section chiefs. Lt.Gen. Chang Chang-kyu (MA 21st class), commander of the Special Force Command, and Lt.Gen. Yi Yu-su (MA 20th class), corps commander, served as a division commander and a armored brigade commander when Kim was the corps commander.

Maj.Gen. An Song-yong (MA 23d class) and Maj.Gen. Yi Chong-ok (MA 24th class), who both were reassigned as field division commanders on their promotion to major general last year, were also Kim's colleagues who served respectively as chief of staff and operations chief in those days. And Maj.Gen. Kim Sok-won (former Grade-A selectee), chief of the Army Headquarters operational staff division, and Maj.Gen. Yang In-mok (MA 22d class), chief of the munitions staff division, were a battalion commander and a regimental commander respectively when Kim was the division commander. Maj.Gen. Kang Chong-pil (MA 23d class), of a field army, was also a battalion commander in the same period.

Maj.Gen. Chong Yong-chin (MA 23d class), a field division commander, and Brig.Gen. Yim Su-won, Army Headquarters personnel management superintendent, served as battalion commanders when CGS Kim was the commander of 62d Regiment of 20th Division.

In addition, it is known that Brig.Gen. "H" of the communications force and Brig.Gen. "Y" of the engineer force served as communications corps commander and engineer brigade commanders respectively when Kim was the commander of 5th Corps.

Over the fact that so many people who had personal relationships with CGS Kim through work were promoted to major posts, opinions are divided in the military. Some say that "for reform of the military in a transitional period, it is necessary for a leader to promote, and use effectively people whom he can trust absolutely." "At a time when every move of the leadership in the Army Headquarters at Kyeryongdae becomes known to the foremost front in a matter of a few hours, you cannot but pick a person you can trust if you are to choose from among people with little difference in abilities."

Others argue, as strongly: "The true consummation of reform lies in the vitalization of the organization. But his conduct of personnel management focused on private relationships and deepening distrust among members of the organization. It is imperative that the military display its organizational power in perfect order at a time of emergency, and in this organization, complaints about personnel management directly lead to the weakening of combat power."

These people also point out that "the reason the 12.12 [1979] coup by Hanahoe was possible was that at the time they did not operate by the dynamics and logic of the organization but were banded by private ties."

Therefore, officers who see problems in the leanings of the military leadership and its domains say that they are concerned about what sort of expressions they will find in the coming changes. For now, they expect that thanks to the appointment of Yi Pyong-tae as MND minister, the leanings will be eased to considerable degrees.

On the other hand, the 9.9 group—which, along with people close to CGS Kim, forms the new power group—includes these people: Kim Hyong-son (MA 19th class), deputy chief of staff; Lt.Gen. Yi Kyu-hwan (MA 21st class), field corps commander; So Kyong-sok (ROTC 3d class), chief of staff of the Education Command; Yi Yong-tae (ROTC 4th class), field division commander; and Maj.Gen. Chon Kwan (MA 23d class).

They are people who served in the 9th Division, 9th Airborne Brigade in the past when former President No Tae-u was the commander of these units. Along with the Hanahoe clique of former President Chon Tu-hwan, who was once the commander of the 1st Division, 1st Airborne Brigade, they were known to be the mainstream of the military in the Sixth Republic.

Unlike Hanahoe, the 9.9 group is generally in good shape under the new government. Explaining the reason, a general officer said: "Soon after the start of the new government, the military leadership, which had not yet formed its own influence, found it beyond its capacity to remove Hanahoe, the biggest influence in the country in the past decade. Based on that judgment, it apparently tried to remove Hanahoe's resistance by forming an alliance with the 9.9 group." Another general said that "the balance of power in the military is not determined by factors inside the military alone." "The new government," he continued, "needed the help of the 9.9 group, the second largest clique in the military, to establish its control over the military. It must have had the understanding of, and the coordinating with, former President No Tae-u about it." "It should also be noted," he added, "that in the latter half of the Sixth Republic, when Kim Yong-sam changed his coat to join the ruling party, a substantially large number of military leaders pledged loyalty to him, and that those leaders were mostly members of the 9.9 group."

Of late, with the personnel changes approaching, rumors about private organizations named Mannahoe and Nanumhoe, and their relationships with the new power group, are circulating rather widely in the Army, straining the Army which had its measles in the Hanahoe namelist incident in April last year.

This is not the first time that people hear rumors of third private organizations in the military. This time, however, they are drawing extraordinary attention because of the time factor.

At the parliamentary hearings about the DSC at the time of the National Assembly inspection of government offices in October last year, Kim To-yun, then commander of the DSC, stated that "40-odd private organizations have been unveiled and disbanded since the start of the new government," making no mention of Mannahoe or

Nanumhoe though. Rep. Kang Chang-song of the Democratic Party has been saying since early last year that "in addition to Hanahoe and Alcchahoe, there is Mannahoe in the military."

According to informed military sources, Mannahoe is led by "L", a former CGS, and "K", a retired four-star general, who were estranged by Hanahoe immediately before the start of the Sixth Republic. It is composed, they say, by officers of the MA 15th through 29th classes, seven or eight of them from each class. According to rumors, this group was involved in the Hanahoe namelist incident last year; however, it is known that the official investigation into the incident failed to shed light on it.

Some in the military insist that the current rumors of the existence of Mannahoe and its identity are considerably at variance with facts. According to them, all that "L" and "K"—who, while in the military, had a strong antipathy against Hanahoe—did was to hold gatherings, based on personal friendship, to press Hanahoe into dissolution, and nothing else.

Others say that this private organization, which initially had little influence in the military, has grown into a powerful one as it occupied major posts taking advantage of the power vacuum immediately after the start of the new government.

According to informed sources, those classified as Mannahoe members include such influential figures as "K", "J", "L", and "P" (all major generals) and "K" and "L" (both brigadier generals) and "P" and "K" (colonels). With respect to Nanumhoe, another private organization, there are also a great deal of "rumors" circulating lately. Nanumhoe is known to be composed of field-level officers of the MA 30th through 37th classes, specialist officers in personnel management in particular. The identity of this group reportedly was first unveiled in the military in about 1986.

Nanumhoe was first formed as a social gathering of officers of the MA 30th and 31st classes in the Office of Personnel Management Superintendent, expanding its influence after Colonel "P" introduced them to General "L" and General "K", according to reports. This group maintains a close relationship with Mannahoe, say informed sources. Colonels "K" and "P" of the MA 30th class, another Colonel "K" of the same class, and Colonels "J", "P", and "L" of the MA 31st class are reported to be the leaders of Nanumhoe.

Military sources say that inasmuch as the various rumors currently circulating about Mannahoe and Nanumhoe have the possibility of causing vacillations and tumult again in the military, authorities should look into them and make facts clear. They are concerned, they say, that there is the danger of the military being thrown into another Hanahoe-type vortex.

Officers are unanimous in saying that the upcoming changes should be carried out in a fair and reasonable fashion, that at the same time, there should be objective

light shed on the rumors that are currently circulating. Then, what sort of specific changes are anticipated?

In the Army, changes are expected of two or three corps commanders and five or six division commanders whose replacements are approximately 18 months overdue. In particular, the coming change of To Il-kyu (MA 20th class), commander of the Capital Garrison Command, is drawing much attention. Some observers say that he will get his second assignment favorable for promotion to the four-star general rank, while others maintain that he has served only 1 year in his current post and therefore will be retained.

Among corps commanders, Lt Gens O Yong-u and Kim Kil-pu (both MA 20th class) are viewed as certain to be replaced because they have served out their terms in the current posts. As for Kim Kil-pu, a Hanahoe officer, whether he will get a second assignment is a matter of great concern.

At the same time, there is a prediction that Kim Hyong-son (MA 19th class), Army chief of staff, will also be replaced. They [O Yong-u and Kim Hyong-son] are likely to replace Chang Pyong-yong (MA 18th class), (inspector general), and Chang Sok-nin (MA 18th class), commandant of the National Defense College, respectively, whose terms of office are to expire in April.

The posts to be vacated by them are expected to be filled by an MA 21st class officer and a non-MA officer or an MA graduate respectively. It is seen as certain that there will be no MA 22d class officers promoted to corps commanders this time. Along with changes in the Army, it is also expected that there will be changes carried out in the Air Force and the Marine Corps. As for the Navy, it is known that there is no need for changes.

In the Air Force, there will be a change to fill the post of director of the Intelligence Headquarters of the MND, which was vacated by Kim Hong-yol who succeeded Cho Kun-hae as Air Force CGS on the latter's death in the line of duty, plus changes involving offices thus affected.

While the possibility of an Army general officer being appointed to that intelligence post cannot be ruled out, military sources expect that it will continue to be occupied by an Air Force officer, considering the factor of the Air Force morale after the CGS' death.

In the Marine Corps, while Rear Adm. Yi Sang-mu (Naval Academy 17th class), 2d Division commander, is most likely to succeed Yim Chong-nin as commandant on the expiration of Yim's term of office, some see Rear Adm. Kwak Chae-song (Naval Academy 16th class) of the JCS office as a possible successor. Also, these changes in the Marine Corps will be followed by the transfers of Sin Won-pae, deputy commandant, and Chon To-pong, special aide for the chief of Naval Operations.

The two rear admirals, Yi and Kwak, are both from the Pusan-Kyongnam [PK] region. So, when all the changes are completed, including those in the Marine Corps, the PK force and Kyongbok High graduates will form the

mainstream of the top leadership of the Army, Navy, Air Force, and Marine Corps under the Kim Yong-sam government, pushing aside the TK [Taegu-Kyongbuk] force, the remnant of the Sixth Republic, completely.

*** Pak Kwan-yong President's Right-Hand Man**

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[By reporter Yun Sok-chin: "Those Who Have Kim Yong-sam's Ears"]

[Text] Whose word does President Kim Yong-sam listen to most in leading his administration? WOLGAN CHUNGANG polled 69 Chongwadae and National Assembly reporters covering the president's conduct of state affairs firsthand and at short range. Following is an analysis of the traits and backgrounds of those exerting mighty influence on the president, based on the findings of this survey (Editor's note).

The survey found that the person who exerts greatest influence on the Kim Yong-sam administration is Chongwadae Secretary General Pak Kwan-yong. He is followed by Yi Hoe-chang, prime minister; Choe Hyong-u, minister of home affairs; Yi Won-chong, senior presidential secretary [SPS] for political affairs, and Kim Chong-nam, SPS for educational and cultural affairs, in that order. Kim Chong-pil, chairman of the Democratic Liberal Party [DLP], placed sixth.

The poll showed Pak Kwan-yong "overwhelmingly at the top" of a list of public office holders with influence on the administration in general, as 68 of the 69 political reporters who responded to the survey voted for him among the top 10. As seen in "Table 1," 40 of them saw him as No. 1 in this category, 10 as second, and 6 as third. Thus, they unhesitatingly gave him higher ratings. In total points, Pak gained a whopping 599 points out of a possible 690 to hold a virtually incomparable lead over rivals.

It is often said that "how often you open the door to the president's office determines the degree of your influence." Pak Kwan-yong, in his capacity as Chongwadae secretary general, holds a one-hour tete-a-tete with the president at 0700 every morning, giving reports and receiving instructions. It is seldom skipped. People say that the frequency of tete-a-tete is the indicator of influence, and we saw the truth of what they say in the fall of the commander of the Defense Security Command [DSC] of our National Armed Forces in his status under the civilian government.

As late as in the No Tae-u regime days, the power wielded by the DSC commander was an almighty one; he often was in emulation with the Chongwadae secretary general and the director of the Agency for National Security Planning [ANSP]. This was because the presidents in the past had considered the DSC as a major channel of information and held a tete-a-tete with its commander on a regular basis. In the poll, altogether 50 persons were named at least once to one of the top 10 places but the DSC commander's name was not among them.

Pak Kwan-yong's rise is not just because of the post he holds. He was elected to the National Assembly four times. As the record shows, he has political sense, which is a necessity for a Chongwadae secretary general, plus an outstanding ability to analyze and deal with matters, however complex. For instance, on North Korea as the biggest pending issue, he is an expert to some degree. In addition, he is deft in handling business.

Notable more than anything else is that Pak, as Chongwadae secretary general, is displaying his superb leadership for harmony. He is playing without a hitch his role as the leader of the 50-odd members of the Chongwadae staff, including nine senior secretaries, holding them together in perfect cooperation to "assist the president." Outstanding is his ability to transform discord, predictable in the Chongwadae relationship with the DLP or the cabinet, into harmony whenever such tuning is needed.

When President Kim picked Pak as his chief secretary, it was a surprise to the public. He is not one of those so-called born-and-bred Sangdodong [Kim Yong-sam's private residence] men. He had never been a Kim Yong-sam follower, and when Kim Yong-sam was an opposition leader, Pak belonged to a faction opposing him. He had never held any of the top three posts in the former Reunification Democratic Party [RDP]. At the time of the three-party merger, he belatedly became a member of the 15-man RDP negotiating team, as a pinch hitter for Yi Ki-taek, the present chairman of the Democratic Party, who dropped out at the last minute. That was about the highest party post he ever held.

Nonetheless, Pak Kwan-yong beat other longtime followers of the president and became the "center fielder" in the core of power. The promotion was a superb pick by President Kim eliminating from the beginning every potential cause of dispute such as acts of arrogation and human walls. Pak functioned correctly as a Chongwadae chief of staff should to be deeply trusted by the president—and to emerge in the poll as No. 1 of the president's men.

Of the top 20, as many as seven are Chongwadae staff members. Yi Won-chong, SPS for political affairs, and Kim Chong-nam, SPS for educational and cultural affairs, placed fourth and fifth respectively, while Hong In-kil, SPS for general affairs, ranked eighth and Kim Yong-su, SPS for civil affairs, 12th. Pak Chae-yun, SPS for economic affairs, and Chu Ton-sik, SPS for public information, unexpectedly found their way to the list, in lower spots though, the 14th and 15th respectively. Of those who are not among SPS's, it is noteworthy that Kim Ki-su, director of the Office of Presidential Suite, made the list. Yi Won-chong, Hong In-kil and Kim Ki-su belong to the ranks of Kim Yong-sam men born and bred.

Conspicuously among RDP men born and bred, Home Affairs Minister Choe Hyong-u and former Minister of State Kim Tok-yong placed third and ninth respectively. They appear to be seen as exerting great influence on President Kim regardless of their official positions. Less than a year after his resignation as DLP secretary general because of a college entrance scandal involving his son,

Choe Hyong-u was reinstated, as minister of home affairs this time, demonstrating his influence as the president's "right-hand man."

The same thing can be said about Kim Tok-yong, former minister of state, who once was generally viewed as "Kim Yong-sam's other self." Except his seat in the National Assembly, he currently holds no office in party management. According to some observers, however, he will be named to an important post again when the time comes as President Kim hinted at his New Year's press conference by expressing his confidence in him.

Kim Tok-yong had to leave the Administration because of controversies over his private organization and, for this reason, placed rather low in the poll for the weight he actually carries. But he is viewed as a darkhorse capable of a rollback to the top group at any time.

So Chong-won, who succeeded Kim Tok-yong as minister of state, placed 19th. He is another RDP man born and bred.

DLP figures are lagging a great deal in the ratings. The fact that even Chairman Kim Chong-pil, who is said to be entrusted with the "Yoido [location of DLP headquarters] administration," only placed sixth and behind senior presidential secretaries Yi Won-chong and Kim Chong-nam clearly shows it. Even that came after the president at the New Year's press conference bolstered Kim's image by saying that "party affairs will be the responsibility of the party chairman." It is an alarming development indeed. But for that comment by the president, what could have happened to Kim Chong-pil's ratings? Reporters themselves who responded to the questionnaire raised the same question. However, there is no question that in view of the "next" presidency, the chairmanship of the ruling party is always a powerful post and can by no means be treated lightly.

The DLP could save face, so to speak, with Mun Chong-su, secretary general, and Kang Sam-chae, director of the Office of Planning and Coordinating, placing 11th and 15th respectively. Particularly conspicuous is Mun Chong-su's rapid rise. He is a "YS man to the core" who, in the days when Kim Yong-sam ran for the National Assembly as an opposition candidate from Pusan's West district, used to accompany him to his nighttime stumping, carrying a torch in his hand. The two beat Yi Han-tong, flood leader, and Yi Se-ki, chairman of the Policy Committee, both influential members of the DJP [former Democratic Justice Party] faction, to place among the top 20 in the poll. This development can be explained by what is called a trend of political lineage prevailing over the weight of individual character. This means that Mun Chong-su and Kang Sam-chae do not owe their rise to the party itself.

Rep. Kim Yun-hwan, rather unexpectedly, placed as low as 18th. While it is unavoidable for him to act as leader of the TK [Taegu-Kyongsang] group whether he likes it or not, Kim Yun-hwan personally keeps a very low profile, presenting himself as a "person to be tested in light of the new era." But he is the man who contributed most to the DLP

nomination of Kim Yong-sam as its presidential candidate, and it is only assumed that President Kim may not have lost his gratitude for the contribution.

From the National Assembly, only Speaker Yi Man-sop was listed among the top 20. Neither Vice Speaker Hwang Nak-chu, a member of the RDP faction, nor any of the standing committee chairmen was even close to the 20th spot. Even in the case of Yi Man-sop, it was because of the weight of the office he holds as the leader of one of the three branches of government that he placed as he did. Thus, Yi Man-sop's case can be compared to an "ornament" carrying little clout, according to reporters' opinions.

Compared with the party and the National Assembly, the poll showed the cabinet as exerting greater "influence" on President Kim. Prime Minister Yi Hoe-chang placed second and Chong Chae-sok, deputy prime minister and concurrently minister of the Economic Planning Board [EPB], 10th. Also, Han Sung-chu, minister of foreign affairs, and So Chong-won, minister of state, respectively took the 13th and 19th spots.

Yi Hoe-chang also represents another of one of the three branches of government. The weight of the office he holds, combined with his strong will as a fresh reformist, seems to have brought him high marks. Earlier, as the director of the Board of Audit and Inspection, he held fast to principle with his characteristic tenacity, and this was received with enthusiastic applause by the public.

It should be noted that President Kim is, first and foremost, a politician relying on the masses and that the degree of his trust in a public office holder is generally influenced by how the latter is received by the public. Therefore, it is not impossible that, if Yi Hoe-chang's performance as prime minister should prove creditable, the president could bring him into politics through the 15th general election and have him set his sight on the next presidency, although it is still too early to say so. At any rate, Yi is a man of conviction and his conviction changed the image of the Board of Audit and Inspection in a short period of time; when President Kim put him in charge of the cabinet, we were able to get a glimpse of his style of personnel management. In this connection, attention should be paid to the rise of Deputy Prime Minister Chong Chae-sok whose unique individuality and conviction propelled him to the top of the economic department.

Since its creation, the successive directors of the ANSP had held the levers of power, as one of them said "I am the power. I can ruin anyone." In the civilian government, however, ANSP Director Kim Tok placed seventh, indicating a measure of decline. He staged a close match with Chairman Kim Chong-pil and Hong In-kil, SPS for general affairs, sandwiched between them by a margin of less than 10 points. In the number of votes they received within the top 10 places, there were little difference between the three, all marking slightly over 40.

Meanwhile, those polled were unanimous in saying that the seventh place for the ANSP director represents a

substantial improvement from the initial days of the new government when President Kim unhesitatingly hinted at his intent to reduce the excessively enlarged power of the ANSP. Symbolic of it was his decision barring the ANSP director from attending cabinet meetings. In principle, that decision still is in effect.

Nevertheless, President Kim, who recognized once again the importance of the ANSP's existence after he entered Chongwadae, is known to see its director once a week for regular briefing. He seems to highly appreciate the leadership of Kim Tok, who was a scholar before becoming the ANSP director. In view of the nature of the ANSP as an agency operating behind the scenes, its real status could possibly be higher than people think.

Kim Yong-su, SPS for civil affairs, who placed 13th, especially attracts attention in many ways. An ex-prosecutor, he served as ANSP deputy director, then as assemblyman from the DLP national constituency. As the record shows, his career contained little that President Kim could appreciate. Nevertheless, he became the head of the civil affairs secretariat, an office that combined the functions of the audit and inspection secretariat and the civil affairs secretariat of the No Tae-u days. It was none other than Kim Yong-su who actually wielded—at working levels—the sword of reform and investigation which President Kim drew as soon as he took office.

Whoever its head, it was inevitable for the office of SPS for civil affairs to increase its influence rapidly during the first year of the YS reform. The fact that, of the six secretaries directly under him, three are "Sangdodong men" tells how much President Kim did to prop up Kim Yong-su. The three are Kim Kil-hwan, first secretary for civil affairs; Kim Mu-song, second secretary for same; and O Se-chon, first secretary on audit and inspection. Also, Kim Hyok-kyu, governor of South Kyongsang Province, had served as second secretary on audit and inspection until two months ago, helping Kim Yong-su. It appears that Kim Yong-su's influence will continue unless the president slows down his reform program in the future.

Another figure attracting attention is Yi Won-chong, SPS for political affairs. Since his days as an information secretary at Sangdodong, Yi has been one of those closest to YS, although his name was little known. They used to say that Yi Won-chong "can read YS' mind from the look of his eyes." When President Kim formed his first cabinet, he appointed Yi vice minister of public information in a surprise move, then senior political affairs secretary in less than a year, putting him at the top of senior Chongwadae secretaries. Yi Won-chong thus gained additional power and became a tiger with wings, so to speak. As vice minister of public information, he had attracted public attention as he exerted much influence on the administration. Since he has his place even closer to YS now, it would be interesting to watch how much more frequently the president will be seeking for "our Won-chong."

It so happened after all that the "top 20 men exerting their influence on the administration in general" shows that the closer the individual's workplace is to the president's office

geographically, the greater is his influence. Chongwadae secretaries are unquestionably ahead, followed by those in the Integrated Government Building on Sejong Street. "Namsan" [ANSP], further away, is that much more behind, while the DLP and the National Assembly, located across the Han River, have even less influence, the survey found.

On the other hand, Sangdodong men are asserting their prominence regardless of where they are. One may say that "Sangdodong is in all its glory now."

In the "political" category, they demonstrated their influence even more conspicuously. Of the top 10, only three—DLP Chairman Kim Chong-pil, who placed 4th; Prime Minister Yi Hoe-chang, 8th; and ANSP Director Kim Tok, 10th—were non-RDP members. The rest were all Sangdodong men, a fact clearly indicating that it is not an overstatement to say that they are in control of the nation's politics.

As seen in "Table 2," Chongwadae Secretary General Pak Kwan-yong again emerged at the top in the "political" division. Although he did not score as overwhelmingly in total points as in the "administration in general" division, 28 of the 69 political reporters put his name in the top spot. However, only 47 altogether voted for him for one of the top five spots. So, in total votes, Yi Won-chong and Choe Hyong-u were found ahead of him with 57 and 50 respectively.

Most noteworthy in this category was the rise of Yi Won-chong to the second place. While 20-odd points behind Pak Kwan-yong in total points, he prevailed over Choe Hyong-u by more than 50 points, clearly reversing their positions in the "administration in general" category. However, as in the "administration in general" category, Choe Hyong-u led Chairman Kim Chong-pil and Rep. Kim Tok-yong by substantially large margins.

Also notable is the advance to the seventh place of Hong In-kil, SPS for general affairs, whose office seems to be remote from politics. He strikes a good contrast to Prime Minister Yi Hoe-chang, who placed second in the "administration in general" category but eighth—next to Hong In-kil—in this category. In the Sangdodong days, Hong managed the Kim Yong-sam faction's difficult house-keeping; he is known to be unrivaled in the depth of rapport with the president. At any rate, it is another case demonstrating the power of Sangdodong men.

ANSP Director Kim Tok received 24 votes, ranking last in the 10th, a fact unthinkable in the past. It would strike people even strange—as strange as the fact that nowhere in the survey did the name of the Secret Service chief arise. The ANSP and the Secret Service, known in the past as a hotbed of political intrigues, are thus being returned to where they belong in what should be viewed as a welcome indicator of political development. In the Pak Chong-hui era, Secret Service Chief Cha Chi-chol behaved as if he had been "vice president," while under President Chon Tu-hwan, it was Chang Se-tong, Chon's Secret Service chief, who was known to all as the "No. 2 man in power."

Compared with those days, the Kim Yong-sam era Secret Service has changed immensely indeed.

A general view of the "political" top 10 presents a fair mixture of Chongwadae secretaries, the cabinet, party executives and heads of the agencies under the president's direct control, seemingly maintaining a reasonable degree of balance. As said in the above, however, an in-depth analysis will unveil a virtual monopoly of power by Sang-dodong men, prompting concerns about the lopsidedness. Critics say that at a time when improvement in the nation's competitiveness is an urgent demand, the larger the pool of talents, the better.

In the "economic" division, the cabinet held a conspicuous lead over Chongwadae.

As "Table 3" shows, Chong Chae-sok, deputy prime minister and concurrently EPB minister, placed first by marking 291 points, while Hong Chae-hyong, minister of finance, came out third, and So Sang, minister of health and social affairs, fifth. Meanwhile, Kim Chol-su, minister of trade and industry, was tied at sixth and Kim U-sok, minister of construction, shared the 10th spot. Moreover, if Han I-hon, EPB vice minister, placing fourth, and Chu Kyong-sok, commissioner of the Office of Tax Administration, sharing the sixth place, should be included in an expanded cabinet category, the cabinet accounts for an overwhelming seven out of the 11 [including ties] listed in the top 10. A point common to all the seven is that they are ex-career bureaucrats and economic experts.

Only three were picked from Chongwadae—Pak Chae-yun, SPS for economic affairs, placing second; Choe Yang-pu, SPS for agriculture and fisheries, eighth, and Pak Kwan-yong, secretary general, ninth. Perhaps because the economy requires expertise more than anything else, Pak Chae-yun and Choe Yang-pu are, exceptionally, ahead of Secretary General Pak in this category.

Of the 11 persons, a surprise is the case of Yi Se-ki, DLP policy chief, who shared the 10th place. He is not an economic expert but yet was voted among the top 10 apparently for the reason that as chairman of the party Policy Committee, he is in the position of supervising DLP economic policies. Of the many self-styled economic experts in the DLP, reporters practically saw him as the only one who has any influence on President Kim.

In this category, Deputy Prime Minister Chong Chae-sok, the number one in this category, and SPS Pak Chae-yun, the runner-up, give the impression that they were engaging in a see-saw game as economic experts representing the cabinet and Chongwadae respectively. The result was that Chong Chae-sok prevailed over Pak Chae-yun by 40 in total points and four in total votes, or virtually by a decision. This strikes a good contrast to the days of Yi Kyong-sik, Chong Chae-sok's predecessor.

Pak Chae-yun, senior economic secretary, is a stubborn man with a style persisting in academic conviction, a factor having contributed to the consistency of policy and to its implementation. Based on that, he had worked as a

behind-the-scenes adviser for YS since the latter's presidential candidate days, then played a leading role in drawing the 100-Day Plan and the Five-Year Plan of the New Economy. As a result, former Deputy Prime Minister Yi Kyong-sik was kept at a distance in the decisionmaking process on major economic policies, until the day of his retirement. He was, in effect, dragged around by Pak Chae-yun. If Yi Kyong-sik had stayed on as deputy prime minister, Pak Chae-yun would have, in all probability, topped the "economic" category list.

However, the arrival of Chong Chae-sok—who rose to deputy prime minister and EPB minister only four months after his surprise promotion to minister of transportation—put on the brakes on Pak Chae-yun's one-man race. The "lack of experience in administration" and "want of political sense" was the weakness on the part of Pak Chae-yun; Chong Chae-sok had no such weakness. In addition, as seen in his unconventional speech and conduct, Chong Chae-sok could simply leap over what Pak Chae-yun would persist in in his scholarly fashion. This also enabled Chong to score higher. Choe Yang-pu entered Chongwadae in December last year when the post of SPS for agriculture and fisheries was created. Although it is too early yet for him to be appraised of his performance, his name apparently came up in the poll for the reason that he is one of the economic experts among the Chongwadae senior secretaries. A graduate in economics of Seoul National University, Choe is a typical agricultural economist. He obtained his doctorate at the University of Missouri and, after that, worked at the Korea Rural Economics Institute for 25 years. His extensive theoretical expertise is viewed as his strength. While Choe's administrative capability is yet to be tested, he served as the "mouth" of our government delegation in the 1989 Uruguay Round negotiations.

EPB Vice Minister Han I-hon is a graduate of Kyongnam High School, President Kim's alma mater, who served as an economic adviser in YS' presidential candidate days. He is generally known to be a notch above Pak Kwan-yong, the Chongwadae secretary general, in reading the president's mind. On the start of the new government, Han was appointed chairman of the Fair Trade Commission and, while in that post, reportedly continued to provide advice and suggestions to YS as requested. It is possibly for this reason that he emerged as the only vice minister making the list, placing as high as 4th.

The fact that Chu Kyong-sok, commissioner of the Office of Tax Administration, a vice minister-level post, placed sixth seems to be the result of consideration that he is the head of a "powerful agency" rather than that he is exercising any policy influence on President Kim. Under the past regimes, the Office of Tax Administration had been called an "ANSP of the economy." Chu Kyong-sok, appointed its commissioner in the Sixth Republic days, retained the post under the Kim Yong-sam government, which is a rare case. And behind it is a school relationship—Chu and the president attended the same high school. Similar is the case of Kim U-sok, minister of construction, who placed 10th. He is neither an economic

expert nor a minister of a powerful department; however, he once served as chief secretary when the president was an opposition leader. And political reporters apparently expected that he would be exercising influence visibly and invisibly.

Finance Minister Hong Chae-hyong, placing third, Health and Social Affairs Minister So Sang-mok, fifth, and Trade and Industry Minister Kim Chol-su, sixth, are all among the top experts in their fields and, as such, needed by President Kim. However, it remains to be seen whether the president would still want them after the three quit their cabinet posts.

Expert judgment is more in demand in the economy than in any other sectors. Perhaps for this reason, President Kim seems to value the views of ex-bureaucrats who have long experience.

In the "foreign policy, national security and reunification" division ("Table 4"), it was a close match between ANSP Director Kim Tok, Foreign Minister Han Sung-chu second, and Chong Chong-uk, SPS for foreign policy and national security. The three were all professors before joining the government, and people are rather anxious to know who of them really exerts more influence on the president.

In this category, ANSP Director Kim, holding a monopoly on intelligence concerning North Korea, placed first, followed by an extremely small margin by Foreign Minister Han, whose overseas trips are exceptionally frequent, including visits to Washington over the North Korea nuclear issue.

Scholastic ability is one thing and administrative efficiency for insight into North Korea issues is another. SPS Chong Chong-uk, whose ratings for the latter are not very high yet, was pushed to the third place after all. With regard to the exposed deficiency in the realistic sense on Chong's part, it is known that Secretary General Pak Kwan-yong makes the necessary intervention each time.

When Han Wan-sang was deputy prime minister and concurrently minister of the National Unification Board [NUB], Pak Kwan-yong acted as mediator whenever differences occurred within the government's national security team. In the RDP days, Pak long served as chairman of the party special committee on reunification and of the National Assembly ad hoc committee on the same. As a result, he is known to be considerably familiar with North Korea issues. His fourth place, therefore, is nothing unusual.

The fifth place for Yi Yong-tok, deputy prime minister [and concurrently NUB minister], cannot but be a natural one for his post. However, affected by the current status of the NUB, plus his own conservatism, Yi was found not high in this category although he chairs the government's national security team. The minister of national defense is limited in his authority; the impression of the post is that it is more for the implementation of policies that have been decided than for making the decisions. Possibly for that reason, Defense Minister Yi Pyong-tae placed only

sixth. In the military government days, the chief of the General Staff of the Army and the DSC commander wielded considerably great power in connection with the security of the regime; under the civilian government, however, they were completely left out, in the same context that the Police Agency director, responsible for public security, was treated as irrelevant.

Also noteworthy is that Hwang Pyong-tae, ambassador to China, and Foreign Minister Han Sung-chu placed seventh and eighth respectively with almost the same marks. As for the ambassador to the United States, it seems that his post was given due consideration under the circumstances that the nation is required to maintain close relations with Washington over "foreign policy, national security and reunification." Meanwhile, Hwang Pyong-tae was, in President Kim's Sangdodong days, so close an aide that people called him "No. 1 policy adviser" for Kim. Furthermore, Beijing, his present post, is the best observation point on North Korea, and he is assigned the extremely important duty of negotiating China's exercise of influence on North Korea concerning the nuclear issue. These factors seem to have led to the high marks.

Interesting is the fact that Rep. Chong Chae-mun placed not 10th but ninth in the "foreign policy, national security, and reunification" division. He has successively served as chairman of the National Assembly committee on foreign policy and reunification and, as such, is duly recognized for his expertise. He belongs to the RDP faction and, moreover, he and the president share Pusan as their home city. So, it is quite possible that he will be exerting further influence in this field in the future.

Based on what has been said, it can be concluded that Pak Kwan-yong, the secretary general at Chongwadae, is the man of super power only next to President Kim Yong-sam. He not only placed "overwhelmingly first" in the "administration in general" division but topped the list in the "political" division as well. In the "foreign policy, national security, and reunification" division, too, he placed fourth among the top 10. Moreover, he even ranked ninth in the "economic" division where he is seen as a layman. Thus, in the survey, Pak Kwan-yong emerged as the unrivaled, all-around champion by scoring a majority decision.

The survey also clearly showed that those who are now wielding mighty power, including the secretary general, are mostly Sangdodong men. In particular, the results in the "administration in general" and "political" categories showed the following as the leading characters from Sangdodong: Choe Hyong-u, minister of home affairs; Yi Won-chong, SPS for political affairs; Hong In-kil, SPS for general affairs; Kim Tok-yong, former first minister of state; Mun Chong-su, DLP secretary general; and So Chong-won, first minister of state.

Among cabinet members, Prime Minister Yi Hoe-chang, Deputy Prime Minister and EPB minister Chong Chae-sok, and Foreign Minister Han Sung-chu surfaced as men of influence. The "team power" of the cabinet could not beat the "group power" of Sangdodong men. The survey also found that except the case of ANSP Director Kim

Tok, the holders of other offices that had been regarded as the "seats of power" in the past—the prosecutor general, the commissioner of the Office of Tax Administration, the chief of the General Staff of the Army, and the director of the Police Agency—have been greatly reduced in their voice under the civilian government.

This poll was conducted under the management of WOLGAN CHUNGANG.

The questionnaire-based survey was made on political reporters assigned to Chongwadae and the National Assembly, including those of dailies, radio-television networks, and press agencies. It also included many reporters of local dailies but no foreign correspondents. The questionnaire sheets were distributed on 8 and 12 February, and altogether 69 of them were retrieved. The questionnaire was as follows:

QUESTION: Of public office holders, who do you think is exerting most influence on the conduct of state affairs by President Kim Yong-sam?

Please write in the names of persons you choose—10 names in the first category and 5 each in the other three categories—in order of importance, as indicated below:

- administration in general: 1, 2, 3 ... through 10;
- political: 1, 2 ... through 5;
- economic: 1, 2 ... through 5;
- foreign policy, national security, reunification: 1, 2 ... through 5.

The "administration in general" was designed to get a general picture of those influencing the Kim Yong-sam administration. Considering the potential public interests nationwide in this division, the reporters were asked to choose 10 persons, one each for the first through 10th spots.

Separately, the survey had the "political," "economic" and "foreign policy, national security and reunification" divisions because these divisions, while representing major branches of the administration, require expertise. For each of these categories, reporters were asked to choose five persons.

In the tables below, "Overall Standing" of the person was determined by the "Total Points" he scored.

First, the number of votes each received for each place was counted. As for points scored, a different weight was assigned to each place—i.e., 10 points to the first place, 9 points to the second place, and so on down to 1 point to the 10th place in the "administration in general" division. Thus, the maximum points was 690 in the "administration in general" category and 345 in the other three categories.

The "Total Votes" indicates the total number of votes received by each and is unrelated to the "Overall Standing." Generally, the "Total Points" and the "Total Votes" were in proportion to each other, but they were not in a few cases. The significance of the "Total Votes" lies in the fact that the person cannot, after all, be left out in his influence on President Kim in the respective division.

In the "administration in general" category, the respondents picked their top 10's and, based on the total points thus computed on them, WOLGAN CHUNGANG arranged the top 20 point-getters in order of "Overall Standing." In the other three categories, the respondents picked their top five's and WOLGAN CHUNGANG arranged the top 10 point-getters in order of "Overall Standing" in each category.

The survey found that some names cited in the "administration in general" category came up again in other categories. Also, the reporters were asked to consider only public officials to prevent any unnecessary misunderstanding or irresponsible criticisms that might be caused by involving relatives by blood or marriage.

Table 1. Administration in General

Overall Standing	Name	Votes Received										Total Points	Total Votes	Official Position
		1	2	3	4	5	6	7	8	9	10			
1	Pak Kwan-Yong	40	10	6	4	3	2	1			1	599	68	Chongwadae sec. gen.
2	Yi Hoe-chang	12	17	11	5	6	2	3	2	1	2	464	61	prime minister
3	Choe Hyong-u	2	6	12	9	12	7	2	7	4		377	61	home affairs minister
4	Yi Won-chong	1	11	7	11	4	5	10	3	1	1	343	54	SPS for political affairs
5	Kim Chong-nam	2	6	7	3	5	5	6	3	1	7	248	45	SPS for education, culture
6	Kim Chong-pil	3	3	5	5	2	6	2	6	5	8	218	45	DLP chairman
7	Kim Tok		3	4	6	8	5	5	2	5	4	211	42	ANSP director
8	Hong In-kil	2	2	3	4	6	7	3	4	10	3	208	44	SPS for general affairs
9	Kim Tok-yong		3	2	5	4	3	5	4	4	1	158	31	assemblyman, former 1st minister of state
10	Chong Chae-sok				5	2	4	4	2	2	1	94	20	dep. prime minister/EPB minister
11	Mun Chong-su				4		2	1	5	4	3	68	19	DLP sec. general
12	Kim Yong-su		1	1	1		1	2	1	4	2	50	13	SPS for civil affairs
13	Han Sung-chu		1		1		2	1	3	3		45	11	foreign minister
14	Pak Chae-yun				1	1	2	1	2	1	3	37	11	SPS for economy
15	Chu Ton-sik				1	1	2	1	1		3	33	9	SPS for public inform
15	Kang Sam-chae					1		3	4	1	1	33	10	DLP planning-coordinating chief
17	Kim Ki-su				2	2					2	28	6	dir. of the Office of Presidential Suite
18	Kim Yun-hwan		1			2				2	2	27	7	assemblyman
19	So Chong-won					2			3	1	2	25	8	assemblyman/1st minister of state
20	Yi Man-sop				1	1			1	1		18	4	National Assembly speaker

Table 2. Political Division

Overall Standing	Name	Votes Received					Total Points	Total Votes	Official Position
		1	2	3	4	5			
1	Pak Kwan-yong	28	4	8	6	1	221	47	Chongwadae sec. gen.
2	Yi Won-chong	12	22	11	7	5	200	57	SPS for political affairs

Table 2. Political Division (Continued)

Overall Standing	Name	Votes Received					Total Points	Total Votes	Official Position
3	Choe Hyong-u	7	9	16	9	9	146	50	home affairs minister
4	Kim Chong-pil	7	4	5	5	6	82	27	DLP chairman
5	Kim Tok-yong	3	5	1	5	8	56	22	assemblyman, former 1st minister of state
6	Mun Chong-su	1	1	4	7	11	46	24	DLP secretary general
7	Hong In-kil	1	2	4	3	2	33	12	SPS for general affairs
8	Yi Hoe-chang	2	2	3	1	1	30	9	prime minister
9	So Chong-won		1	3	5	5	28	14	assemblyman/ 1st minister of state
10	Kim Tok		1	4	3	2	24	10	ANSP director

Table 3. Economic Division

Overall Standing	Name	Votes Received					Total Points	Total Votes	Official Position
		1	2	3	4	5			
1	Chong Chae-sok	35	23	7	2		292	67	dep. prime minister/EPB minister
2	Pak Chae-yun	24	22	12	3	2	252	63	SPS for economy
3	Hong Chae-hyong	2	8	19	10	10	129	49	finance minister
4	Han I-hon	3	11	9	13	9	111	45	EPB vice minister
5	So Sang-nok		2	4	8	2	38	16	health/ social affairs minister
6	Chu Kyong-sok		1	3	5	7	30	16	Office of Tax Administration commissioner
6	Kim Chol-su			4	8	3	30	15	minister of trade/ industry
8	Choe Yang-pu	1	1	1	2	4	20	9	SPS for. agri./fisheries
9		1	1	1	3		18	6	Chongwadae sec. gen.
10	Kim U-sok			2	4	3	17	9	construction minister
10	Yi Se-ki			2	3	5	17	10	DLP Policy Comm. chairman

Table 4. Foreign Policy, National Security, Reunification Division

Overall Standing	Name	Votes Received					Total Points	Total Votes	Official Position
		1	2	3	4	5			
1	Kim Tok	22	13	8	10	7	213	60	ANSP director
2	Han Sung-chu	17	14	15	7	7	207	60	foreign minister

Table 4. Foreign Policy, National Security, Reunification Division (Continued)

Overall Standing	Name	Votes Received					Total Points	Total Votes	Official Position
3	Chong Chong-uk	6	25	16	6	6	196	59	SPS for foreign policy/national security
4	Pak Kwan-yong	16	5	9	2	3	134	35	Chongwadae sec. gen.
5	Yi Yong-tok	1	4	8	12	13	82	38	dep. prime minister/NUB minister
6	Yi Pyong-tae	2	1	5	13	11	66	32	defense minister
7	Hwang Pyong-tae	1	3	3	9	4	48	20	amb. to China
8	Han Sung-su	2	1	3	3	7	46	16	amb. to USA
9	Chong Chae-mun		1	1	1		9	3	N. Assembly for. policy/reunif. comm. chairman
10	Kim Chong-pil	1					5	1	DLP chairman

Brunei, Malaysia & Singapore**Malaysia****Mahathir Comments on MEASAT Prospects**

*BK1705122594 Kuala Lumpur BERNAMA in English
0954 GMT 17 May 94*

[Text] Kuala Lumpur, May 17 (OANA/BERNAMA)—The launching of the Malaysian East Asian Satellite (MEASAT) by the end of next year will make Malaysia a regional communications centre, Prime Minister Dr. Mahathir Mohamed said Tuesday.

MEASAT, as a regional satellite system, would not only meet part of the telecommunications and broadcasting needs of the country but also play an important role in Malaysia's contribution to the development of communications in Asia, he said.

This was acknowledged at coordinating meetings with the countries concerned over the last 18 months, he said at the signing of a contract, for the manufacture of two MEASAT satellites, between Binariang Sdn Bhd [Company Limited], a Malaysian consortium, and Hughes Communications International Incorporated (United States), here.

Dr. Mahathir said communication links throughout the country, including to the remote areas, would no longer be bound by restrictions with the availability of MEASAT.

In fact, he said, the communication links would stretch to areas outside the country which would be covered by MEASAT.

This will bridge the gap in communications between our country and neighbouring countries, apart from stepping up communications with India and other countries in Asia, he said.

Dr. Mahathir said the government would also encourage MEASAT to invest in satellites launched by Asian countries.

The government wants communication links in the region to depend on and be connected with one another and be capable of upholding our regional traditional values, he said.

In this connection, he said, Malaysia welcomed the participation of other countries in the region in the launching of the second MEASAT satellite system in 1996.

Dr. Mahathir also said that the launching of MEASAT would take Malaysia to the era of a proper broadcasting service.

This was because MEASAT would pioneer the use of the KU-band transponder which had hitherto been assumed as unsuitable for the Asian region because of poor reception by small antennae in homes during heavy rain.

Other satellite systems in the region only operate on the C-band for analog telecommunications and broadcasting, which requires larger antennae and related cable systems, he said.

Dr. Mahathir said MEASAT had been designed with the latest technology, including the use of digital modulation and encryption.

In this way, the people in the country would be able to use the direct to user service through the KU-band whereby only authorised receivers would obtain the programmes.

He also said that the DTU system used by MEASAT not only provided for a high quality of broadcast and reception but its technology also allowed the government to license MEASAT under the broadcasting act unlike the C-band from overseas which was beyond control.

Dr. Mahathir said another of MEASAT's safeguards was for any other satellite wanting to cover Malaysia to coordinate with the energy, telecommunications and post ministry.

In the business sector, he said, DTU services could provide the latest news in the region, video conferencing facilities and despatch of financial data quickly.

Mahathir, New Zealand's Bolger Discuss Labor

*BK1905103794 Kuala Lumpur BERNAMA in English
0752 GMT 19 May 94*

[Text] Kuala Lumpur, May 19 (BERNAMA)—Malaysia and New Zealand agreed that the move to impose a minimum wage rate for the whole world will obstruct free trade and place the third world countries at a disadvantage, Foreign Minister Abdullah Ahmad Badawi said Thursday.

He said the visiting New Zealand Prime Minister Jim Bolger felt that the move, initiated by several industrialised countries, would adversely affect the competitive edge of developing countries. Without the advantage of cheap labour, the developing countries would not be able to progress well.

Abdullah was speaking to reporters after attending a meeting between Prime Minister Dr. Mahathir Mohammed and Bolger at the Prime Ministers Department here.

The New Zealand premier and his wife, Joan, arrived here Wednesday for a three-day official visit. Both the prime ministers agreed that the move to link the trade issue with matters relating to humanity will affect free trade and open market system, Abdullah said. He also said that Kuala Lumpur and Wellington had agreed to create as many forums as necessary to discuss matters relating to bilateral relations and regional problems.

The forums which might have the same objective as joint-commission but in different forms, could be established when necessary, he added.

Abdullah said Dr. Mahathir and Bolger also agreed that the forums need not have any definite dialogue framework but should be in the form of free discussions.

New Zealand had also suggested that there should be exchange visits in the form of working holiday between the youths of both countries to help strengthen relations between the peoples of the two countries, Abdullah said.

New Zealand now has a similar programme with Japan.

Air Force Receives U.S.-Made Beechcraft Planes

*BK1805110194 Kuala Lumpur BERNAMA in English
0820 GMT 18 May 94*

[Text] Kuala Lumpur, May 18 (OANA/BERNAMA)—The Royal Malaysian Air Force (RMAF) has taken delivery of four Beechcraft B200T maritime patrol aircraft, a senior official of the Ministry of Defence said Wednesday.

The U.S.-made aircraft, which were purchased from Australia, will complement the squadron of the Lockheed PC-3 Orion maritime patrol aircraft being extensively used to patrol the country's exclusive economic zone (EEZ) in the South China Sea.

The six-crew patrol aircraft, now parked at the RMAF base in Subang, near here, will be officially delivered to the air force in a ceremony next week, the official said.

They were flown here by RMAF crew with four Australian technical personnel.

Among the missions to be engaged in by the B200T are pollution detection, surface and sub-surface monitoring of the EEZ, inspecting off-shore installations as well as search and rescue (SAR).

The aircraft are also equipped with remote-sensing equipment, specialised avionics and sophisticated camera.

The Beechcraft B200T is an all-weather and night-day maritime patrol aircraft developed by Beechcraft Aircraft Corporation, a subsidiary of Raytheon Company, Kansas.

Singapore

Senior Minister Critical of U.S. Moves in Region

BK1905121894 Singapore Singapore Broadcasting Corporation in English 1100 GMT 19 May 94

[Text] Senior Minister Lee Kuan Yew has warned that recent moves by the United States have raised concern over its strategy in East Asia. He said the future of the Asia-Pacific [region] and the world in the next 20 years rests on having a stable triangular balance among the U.S., Japan, and China. However, in the last few months U.S. policies seem at odds with this objective.

Speaking at [words indistinct], Mr. Lee said the U.S. has been showing a certain limit of (?view). He gave as an example U.S. pressure on Indonesia and Malaysia on their labor policies, which had led to riots in Medan. The senior minister said the U.S. policy toward China is more mystifying as it threatens to derail China's economic reform by

cutting off MFN [most favored nation status]. He said if the U.S. tries to thwart China's growth, China will surely want to return the compliment when they can do so.

Mr. Lee said China does not have to become an ally of the U.S. for world peace and stability, but it should not be made into an adversary. As for China, Mr. Lee said with its enormous potential, Beijing can afford to reassure its neighbors that it is a friendly and nonexpansionist power, and China can do so by making its intention and capability more transparent.

New Zealand's Bolger on Human Rights Issue

*BK1905074394 Melbourne Radio Australia in English
0500 GMT 19 May 94*

[Text] New Zealand's prime minister, Jim Bolger, says the strength of Asian economies is helping them resist pressures from the West on human rights issues. Speaking in Singapore, Mr. Bolger said Asian countries were now able to say with some firmness that their approach to human rights was as valid as that of anybody else. He said countries in Asia were better able to deal with such issues now that everyone wanted to trade with them.

Early this week, Mr. Bolger came under criticism in New Zealand for endorsing Indonesian rule in East Timor despite Western concerns over human rights there.

Cambodia

Continued Exchange of Messages on Peace Talks

Sihanouk Message to Khieu Samphan

BK1805164494 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 18 May 94

[Text] His Majesty Norodom Sihanouk Varaman, king of Cambodia, sent a message to His Excellency Khieu Samphan, chairman of the Party of Democratic Kampuchea [PDK] on 18 May. The message reads as follows:

Excellency, I would like to deeply thank you for sending me a message in the name of the PDK to support my suggestion of a roundtable at my Chhanghsu-on residence near Pyongyang. I ask Your Excellency to give me a very clear and specific answer to the following question: Will Your Excellency attend the roundtable for national reconciliation and peace in Cambodia, that is, the roundtable which will be held at Chhanghsu-on on 27 May?

With my deepest thanks, Excellency, please accept my highest regards.

[Signed] Norodom Sihanouk

Khieu Samphan Agrees to Peace Talks

*BK1905003794 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian
2330 GMT 18 May 94*

[Text] King Norodom Sihanouk issued a statement on 17 May pointing out that the situation in Cambodia is deteriorating and is leading the nation toward a collapse with

each passing day. In the face of this situation, the king proposed a roundtable meeting of all Cambodian parties without preconditions in Pyongyang, North Korea on Friday, 27 May 1994.

Answering the proposal, His Excellency Khieu Samphan, chairman of the Party of Democratic Kampuchea, sent the king a telegram dated 18 May expressing his agreement with a roundtable meeting in Pyongyang or in any other neutral place.

Editorial Views Issue of Foreign Military Aid

*BK1905053494 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 19 May 94 pp 1, 2*

[Editorial: "The Acceptance of Foreign Military Aid Is Consistent With the Constitution"]

[Text] The last paragraph of Article 53 in Chapter 4 of the the Kingdom of Cambodia's Constitution stipulates that "the Kingdom of Cambodia shall preserve the right to accept foreign aid in terms of military material, arms, ammunition, training of the armed forces, and other aid for its own defense and for the maintenance of of public order and security within the country."

It is well known that in the past, especially in recent weeks, not only has the Khmer Rouge resorted to sabotage activities to annihilate law and order and public security within the country, it has also further nurtured the notion of dismembering Cambodia into two parts and taking control of the country once again. This being the case, the appeal for military aid to enable Cambodia to circumvent "the great danger of the Khmer Rouge" does not contradict the country's fundamental law at all. Actually, it suits Cambodia's vital interests perfectly. For this reason, actions by donor countries do not constitute an intervention in the internal affairs of Cambodia as alleged by some countries, especially Thailand. In fact, it should be acknowledged that aid for the reinforcement of Cambodia's defense is also for the promotion of the country's democracy, independence, and sovereignty that the international community has strived to bring to existence through the May 1993 elections.

It is really ironic to say that military aid to Cambodia will affect the security interest of its neighbors. The tiny and badly damaged Cambodia does not have enough force to act as have been alleged.

Obviously, only aid to the Khmer Rouge and obstruction of assistance to Cambodia's legitimate government is tantamount to interference in the country's internal affairs.

Indonesia

Reportage on East Timor Issue Continues

Jakarta 'May Cancel' Peace Talks

*BK1905110594 Jakarta ANTARA in English 0954 GMT
19 May 94*

[Text] Jakarta, May 19 (ANEX-ANTARA)—Indonesian Foreign Ministry Thursday acknowledged recent reports

indicating the postponement of Moro-Manila peace talks if the Philippines Government could not take any concrete action against a planned-conference on East Timor issue to be held in its capital city.

The ministry's spokesman, Irawan Abidin, told ANTARA that Indonesia may cancel its hosting of the Indonesian-sponsored peace talks if Manila, between today and June, could not convey its proper response over Jakarta's displeasure over the conference.

The Moro-Manila peace talks were originally scheduled to resume on mid-June, after the first talks held in Jakarta last year.

Irawan Abidin did not deny that Jakarta has expected Manila to abrogate the conference due to take place in Philippine university from May 31 through June 3.

"If it is still carried out as scheduled, surely we'd regard it as "improper," said Abidin, who refused to consider his statement as a threat.

Foreign Minister Ali Alatas has previously described the entitled "Asia-Pacific Conference on East Timor" previously as a political campaign against Indonesia's national integrity instead of an academic seminar discussing about the human rights.

His statement was based upon the fact that Jose Ramos Horta, an East Timorese figure who opposes the East Timor integration into Indonesia, Filipino leftist Renato Constantino, and Cecilia Jimenez were among the conference's organizers.

Commenting on the Philippine Embassy's statement that its government would try to limit the topics to be discussed during the conference, Alatas firmly said that it would not be enough.

"I don't see how a political discussion could be limited," he added and reaffirmed that Jakarta regarded the conference as political activities.

Spokeswoman of the Philippine Embassy in Jakarta, Sonya Braddy, earlier told a delegation of the Indonesian Youth National Committee (KNPI) that Manila does not want to annoy its bilateral relations with Indonesia due to the conference.

"The Philippines would try to minimize or even to eliminate any provocative attempts which could emerge in discussing the substances of the conference," the KNPI chairman, Tubagus Haryono, quoted Braddy as saying.

In the meantime, Irawan Abidin stated that he could not receive the reason that the Philippine Government could not cancel the conference as it is organized by a non-governmental organization in a university that has its own autonomy.

"I'm sure that the Philippine Constitution is containing articles, which acknowledge the government to take a certain action considering its national interest," Abidin concluded.

Foreign Ministry Spokesman Comments

BK1905064494 Hong Kong AFP in English 0635 GMT
19 May 94

[Text] Jakarta, May 19 (AFP)—Indonesia threatened Thursday to scrap a meeting between Filipino Muslim rebels and Manila representatives in Jakarta if the Philippines failed to block a planned conference on East Timor.

"It will be definitely postponed if, between now and June, this disappointment (about the East Timor conference) is not addressed in a proper way," foreign ministry spokesman Irawan Abidin told AFP.

He was referring to a meeting arranged by Indonesia between the Philippine government and a Muslim separatist group, the Moro National Liberation Front, scheduled to be held in mid-June.

Jakarta is angry about a private seminar on human rights [words indistinct] Timor, the former Portuguese colony annexed by Indonesia in 1976. The seminar is due to be held in Manila from May 31 to June 3.

House Deputies Favor Talks

BK1905073694 Jakarta Radio Republik Indonesia
Network in Indonesian 0600 GMT 19 May 94

[Text] Deputies of the House of Representatives [HR] believe that the government should not be provoked into reacting emotionally to a conference on East Timor scheduled to be held in the Philippines and there is no need for the government to bar non-governmental organizations [NGOs] from attending the conference. Abu Hassan Sazili, chairman of House Commission I in charge of foreign affairs, defense, security, and information, advised the government not to force the Philippine Government to cancel the conference because the political system of the Philippines differs from Indonesia's. In this regard, he urged the Indonesian Government to provide the international community with information about developments in East Timor. Such a step would be better than an emotional reaction to the conference.

Meanwhile, Theo Sambuaga, leader of the Functional Group in the House of Representatives, hoped that Indonesian NGOs invited to the conference would tell others about the true situation in East Timor instead of discrediting the government.

* Report on President's Talk With Dutch Premier

94SE0118B Jakarta ANGKATAN BERSENJATA in
Indonesian 6 Apr 94 pp 1, 10

[Text] Jakarta (ANGKATAN BERSENJATA)—President Suharto stressed that no country has the right to dictate to other countries its own concepts or views on basic human rights, let alone force those concepts or views as conditions for international economic cooperation.

In his speech at an official dinner in the honor of Dutch Prime Minister Ruud Lubbers on Tuesday, 5 April, President Suharto again stressed the united position of Indonesia, Nonaligned Movement countries, and other developing countries.

"I stressed that basic human rights and liberties, as embodied and spelled out in the charter and various other declarations and documents of the United Nations, do indeed include things that are universal in nature. Basic human rights should be protected and promoted by all nations. This needs to be done through international cooperation on the basis of equality," the president emphasized.

Attention needs to be given to the very close connection between basic human rights and other rights, such as civil, political, economic, social, and cultural rights, the president continued.

The balance between individual rights and the rights of society and the nation also needs to be guarded.

The United Nations itself, the president said, acknowledges that the authority and responsibility for implementing those rights nationally lies with each government and fully notes the differences among countries with regard to culture, religion, customs, and levels of economic growth.

No Signs

Earlier, the president said that there are as yet no signs that the international economic disparity can be resolved. Growing economic globalization has drastically changed production, trade, and monetary patterns and has had the impact of producing large economic groupings among industrialized countries in ways that tend toward protectionism, discrimination, and a climate of unhealthy competition.

"In this situation, Indonesia is convinced of the need to bridge the economic disparity between the North and the South through international cooperation, consultation, and consultative dialogue," the president said.

The president also said that he has never seen the fortunes and interests of the North and the South as closely connected as they are now.

Therefore, the president said, it is natural and logical for both sides to expand cooperation on the basis of true mutual dependence, mutual interests, and mutual benefit.

The president said that countries now face uncertainty in various aspects of life. The end of the cold war and East-West enmity has opened opportunities for building a new era for international relations.

Growing mutual dependence and economic globalization have provided hopeful opportunities. Nevertheless, the hopeful world situation is not without obstacles and challenges.

"Several new problems and dilemmas have emerged on the political and economic scene. In some areas, there have arisen new tensions and conflicts, aggression and foreign interference, conflicts rooted in ethnic and religious controversies, new forms of racism, and the resurrection of narrow nationalism," the chief of state said.

In a world situation full of uncertainty, Indonesia and other developing countries are conducting their respective national development in order to catch up.

"We fully realize that the responsibility for the development of a nation is entirely on the shoulders of that nation itself. On the other hand, we also realize that success will remain difficult to achieve if international and regional spheres are not supportive. That is the reason why the Indonesian people always take part in encouraging the creation of a world economic order based on partnership, equality, and fairness," the president said.

The president said that, remembering their very long ties of history, relations between Indonesia and the Netherlands have significance for both countries. Nevertheless, the president said, we can now give new meaning and objectives to the ties of the past.

"We establish these ties as countries on the same level who respect each other, avoid interfering in each other's internal affairs, and provide benefit to each other," the president stated.

Opportunities

In their talk on Tuesday afternoon, President Suharto told Dutch Prime Minister Ruud Lubbers that there are opportunities for Dutch businessmen to take part in developing various aspects of the economic infrastructure, such as the construction of electric power plants, telecommunications facilities, and a container port under the BOT (build, operate, transfer) system.

"President Suharto also opened opportunities for Dutch businessmen to invest their capital here. Their products can be marketed not only in the European Community, but in the Asia Pacific area, too," Murdiono said as he described to reporters the results of the talks between President Suharto and Prime Minister Lubbers at Freedom Palace on Tuesday, 5 April.

According to Murdiono, the opportunity to develop the various aspects of the economic infrastructure was offered to Dutch businessmen because of the state's limited financial ability to develop that infrastructure.

In response to the president's offer, Prime Minister Lubbers said the Netherlands is ready to expand cooperation in the economic sector because Dutch businessmen have considerable investment capability.

Naval Cooperation

According to Murdiono, Prime Minister Lubbers specifically offered cooperation between the Netherlands and Indonesia in the naval sector for acquisition of ships, use

of Dutch technology (which is considered to be quite high), and, possibly, joint exercises.

The minister of state and state secretary [MENSESNEG] said the president responded that those matters can be discussed at the senior official level.

Nevertheless, Murdiono said, the president also stressed that the Indonesian people are determined to give priority to economic development.

"This does not mean that Indonesia has accepted the proposal from the Dutch Government," he added.

Murdiono explained that defense and security development does in fact have priority, although the priority is not as high as that of economic development. "Therefore, we must see first what it is they are offering and what we need, and before they offer we must see whether we are able to pay for it," the MENSESNEG said.

The president also took the opportunity to explain the thinking behind strategic development in both PJP [Long-Term Development] I and PJP II, in addition to explaining matters related to the Nonaligned Movement and APEC [Asia Pacific Economic Cooperation]. On his part, Prime Minister Lubbers explained various developments in Europe.

The president also urged the Netherlands to participate in cooperation within the three-way South-South concept. The problem, said Murdiono, is that South-South cooperation is often difficult to carry out because the funds of Southern countries are limited. In this situation, it is hoped that a third party, in this case industrialized countries, will participate.

Navy Says Straits Free of 'Traditional' Piracy

BK1905075794 Jakarta ANTARA in English 1829 GMT 18 May 94

[Text] Belawan, N. Sumatra, May 18 (ANEX-ANTARA)—The Malacca and Philip straits with a high density of international sea traffic, were now free from "traditional" piracy, a high-ranking Indonesian naval officer said.

"There have been no pirates attacking tankers in the Malacca Strait since 1992," commander of the Western Armada Rear Admiral Arief Kushariadi told the press in Belawan Tuesday.

Taking part in a "sea security safari," the two-star admiral said the success of the navy in maintaining security in the Malacca Strait was thanks to integrated sea patrol operations with the support of the sea patrols of Malaysia and Singapore.

He said in most cases the local pirates in their actions normally used sharp and pointed weapons such as machetes and sickles, not firearms.

When asked on the hardware and facilities owned by the Indonesian Navy in support of security operations in

Indonesian territorial waters which formed two thirds of Indonesia's total national territory, he said they were quite adequate.

"However, ideally, we should have 400 warships to maintain security in our vast territorial waters, but those we already have are actually sufficient to do the job," he said.

Official Reports on Stranded Vietnamese Vessel

BK1805145794 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 18 May 94

[Text] A vessel carrying Vietnamese refugees was found stranded between Tanjung Keluang and the West Waringin city of Kumai in Central Kalimantan. Bibit Sundari, Central Kalimantan public relations chief, said the refugees had a wooden vessel 20 meters wide and 60 meters long. There were 30 adults and 21 children aboard the vessel.

The vessel was out of fuel and food. The boat people requested three [word indistinct], 200 liters of oil, 300 kg of rice, drinking water, and sufficient cooking oil.

They needed the supplies to continue their effort to reach Australia.

*** GOLKAR Announces Strategy for 1997 Election**

94SE0118A Jakarta ANGKATAN BERSENJATA in Indonesian 31 Mar 94 pp 1, 11

[Text] H. Harmoko, general chairman of the Functional Group (GOLKAR) DPP [Central Executive Council], declared that GOLKAR has a strategic plan for victory in the 1997 general election and for success in the 1998 General Session of the MPR [People's Consultative Assembly].

"As of today, all GOLKAR echelons have a strategic plan for victory in the 1997 general election and for success in the 1998 General Session of the MPR, and the plan subsequently will be the principle and guideline for achieving objectives," Harmoko declared Wednesday, 30 March, as he closed the GOLKAR DPP national working conference.

Harmoko explained that people at all echelons of GOLKAR fully understand the importance of the strategic plan, because it has a legal basis, targets, challenges, opportunities, and strategic points, although it contains only general points on steps that must be taken.

Election Targets

The subject of GOLKAR preparations for the 1997 general election took up almost all of the press conference held after the national working conference adjourned.

In reply to a reporter's question about GOLKAR targets in the next election, Harmoko said GOLKAR will try to get as many votes as possible through honorable means.

GOLKAR will fight to win the most votes, Harmoko continued, because GOLKAR's guiding principle is the upholding of the state of the Republic of Indonesia, which

is based on Pancasila [ideology of the Indonesian state] and the 1945 Constitution, on dynamic national stability, and on a national leadership firmly held by the New Order.

"GOLKAR cadres have carefully integrated their operations, positions, and actions for the sake of achieving a threefold success, namely consolidation, REPELITA VI [Sixth Five-Year Development Plan], and the 1997 general election," Harmoko declared.

When asked whether internal and external problems will affect the winning of votes, Harmoko responded quickly that any organization, especially a sociopolitical organization, is sure to have problems. Nevertheless, Harmoko declared, GOLKAR is confident that through the programs and positions of GOLKAR cadres such problems can be resolved and will not affect the winning of votes. "GOLKAR is optimistic," he added.

With regard to the honorable methods GOLKAR wants to use to win an election victory and with respect to the negative comments that have been made about GOLKAR victories, Harmoko said that general elections are conducted on the basis of the General Election Law.

"GOLKAR has never deviated from the provisions of the General Election Law, and GOLKAR has never acted unfairly. It is very wrong for anyone to say that GOLKAR wins through dishonorable means," Harmoko declared.

Harmoko also said that the other election participant organizations, namely the PDI [Indonesian Democratic Party] and the PPP [Development Unity Party], are not opponents but are GOLKAR's partners in developing political life.

Statement of GOLKAR Position

An election target is one of the eleven points in GOLKAR's position statement. The fourth point of the position statement says that the winning of the most votes in the five general elections is an expression of public confidence.

This has put GOLKAR in the position of sole majority in legislative institutions and has developed and strengthened the political structure and culture on the basis of Pancasila and the 1945 Constitution.

Other points are GOLKAR's consistent position, the dual function of ABRI [Indonesian Armed Forces], succession, and maintenance of discipline. Harmoko said that issuance of this GOLKAR position statement is a new policy and will be made a tradition for each national working conference.

Member Discipline

With regard to the issue of discipline among GOLKAR cadres, which has recently surfaced through the quarrel over selecting regents/chiefs of second-level regions in several regions, Harmoko said GOLKAR will maintain organizational discipline on the basis of existing legal

provisions, including the taking of firm action against cadres who deviate from guidelines laid down by GOLKAR.

"The concept of organizational discipline will be a GOLKAR priority in the future, because without discipline an organization will not function but will disintegrate instead," Harmoko declared. He added that GOLKAR will act both to persuade and to educate, except that firm action will be taken toward recalcitrant cadres.

In reply to a question about cases of bad debts and several social and legal problems involving some GOLKAR cadres and executives, Harmoko said that GOLKAR will give "equal treatment" to cadres in both "superstructure" and "infrastructure."

"Thus, the maintenance of 'clean and strong government' is a part of upholding law and justice. Therefore, legal action must be taken against any cadre who acts in an aberrant way," Harmoko stated.

As for the matter of discipline problems among members of FKP's [Development Function factions] in first-and second-level DPRD's [regional legislatures], which produced quarrels over the selection of regents, Harmoko explained that FKP members are extensions of GOLKAR and must follow the policies laid down by the GOLKAR DPP. "Those problems were discussed thoroughly in this national working conference," he said.

Harmoko explained that after the quarrels over selection of regents were examined, it turned out that the quarrels were cases of political "engineering" by people with personal interests. "After going into the field, the DPP knows precisely that personal interests were present," Harmoko added.

Editorial Views Trade, Human Rights Linkage

BK1805150294 Jakarta THE JAKARTA POST in English 10 May 94 p 4

[Editorial: "Conditionality of Aid"]

[Text] The worldwide tendency to link foreign aid with human rights protection has been escalating in spite of the strong opposition to such strings from the governments of the developing countries which make up the majority of aid beneficiaries.

The latest stage in the human rights campaign was initiated by the donor members of the Asian Development Bank (ADB) at its annual meeting in Nice, France last week. The creditor members led by the United States government, stipulated what they term "good governance" as one of the 11 conditions for the approval of the 100 percent increase in ADB's capital to US\$48 billion.

Similar debates between the governments of developing countries and industrialized countries occurred between March and April, when the U.S. government, with the support of several other advanced countries, strongly demanded that international trade be linked with the protection of labor rights. The demand, which threatened

to foil the signing of the new global trade pact in Morocco in the middle of last month, was rejected and the agreements resulting from the 7.5-year-long Uruguay Round of trade negotiations were finally signed by almost all members of GATT.

That human rights have not yet been explicitly stipulated as a condition to international aid does not mean that the international campaign for such linkage will die down. Instead, developing country governments should gear up for a time when such a condition will be imposed officially.

We have observed that the international campaign for human rights protection has been going on for many years under various guises such as workers rights, aid for social welfare and democratization. In fact, good governance could also be seen as part of the overall program to respect human rights. That can be inferred, for example, from the prerequisites which the international community has set for what is termed as good governance: Respect for human rights, democratic rule, fair, efficient and transparent public management, public accountability and clean government.

There are at least two main reasons for the campaign. One is the perception among the international community, notable among the advanced country governments, that the violation of human rights is one of the major threats to international stability and peace in the current post-Cold War era. As recent experiences have shown, human rights violations have caused people to flee their homelands in huge numbers and the poor situation of workers has led to the problem of illegal immigrants with all the negative implications.

The second reason is the fact that economic globalization and communications technology are turning the world into a global village. Hence, the government of a country, whether it is a developing or developed one, tends to be assessed by an internationally accepted set of yardsticks. Since aid to the developing countries is funded mostly by the taxpayers in the advanced nations, the developed country governments are under increasing pressures from their legislatures, the representatives of the taxpayers, to attach human rights protection as a condition to their overseas aid.

Whether we like or not, we will have to live with the reality that human rights protection in its broadest terms will eventually be stipulated as a condition not only to official aid but also to loans from such multilateral aid or lending agencies as ADB, the World Bank and the International Monetary Fund, because their lending resources are also financed mostly by the taxpayers in the advanced countries.

Although developing country governments may have legitimate points in their arguments against such a condition, the essence of the campaign for human rights is actually for the good of all mankind in both developing and developed nations. And human rights are also imperative for a sustainable development process. What is relative with regard to the implementation of the condition is perhaps

the stages of the fulfillment of human rights protection in its broadest sense. The implementation may have to be adjusted to the stages of economic development in the various countries.

Union Chief Demands More Power for Workers

BK1805150994 Jakarta THE JAKARTA POST in English 11 May 94 p 2

[Text] Jakarta (JP)—Indonesia cannot hope to achieve harmonious industrial relations unless it is willing to give its workers more political power, a top union official says.

Bomer Pasaribu, the secretary-general of the All-Indonesia Workers Union (SPSI), called for labor reforms that ensure workers enough power to put them at a par with management.

The present labor system was developed with the purpose of keeping worker wages low, a factor seen as a prerequisite to attracting foreign investors, Bomer told a seminar on industrial relations yesterday.

He implied that union power had been purposefully weakened to achieve that goal.

He proposed a new system that ensures industrial democracy and in turn harmonious industrial relations.

"Democratization of the industrial sector should be encouraged to put workers in an equal position at the negotiating table with employers or capital owners" Bomer said.

He cited the lack of democracy as the prime cause of much of the labor unrest in Indonesia in recent years, including the workers' protest that turned riotous in Medan, North Sumatera, last month

But while arguing for a system that guarantees workers freedom to organize, Bomer insisted that workers should unite in one union, the SPSI, to ensure its effectiveness and strength.

"To strengthen the workers position, they should be unified in a single organization, SPSI," he said.

He emphasized that the single union concept was a commitment made by 23 separate labor organizations which merged into one federation in 1973.

He claimed that almost all countries in the world have only one labor union.

SPSI's existence has been widely questioned by many of its members in recent years, with many expressing disappointment at its failure in defending their interests.

The creation of the Indonesian Prosperous Labor Union (SBSI) two years ago was intended to address these concerns but the government has refused to recognize it as a legal entity.

SBSI has been blamed for organizing the workers' protests which disintegrated into rioting in Medan last month.

Bomer proposed that as part of the labor reforms workers should be given training in effective bargaining strategies to enable them to better deal with managements.

He said that while the first 25-year development program in Indonesia produced many large business conglomerations, the conditions of Indonesian workers have worsened. "It is an irony that the labor situation is worsening amid the success of economic development," he said.

Efforts to form unions are appallingly weak, with almost 70 percent of the 147,000 registered manufacturing companies in Indonesia still without SPSI representatives.

Bomer also acknowledged that collusion between managements and elected workers' representatives was rife, calling this another detrimental factor to the progress of workers.

Laos

*** Further Thai Action Sought Against Vang Pao**

94SE0117B Vientiane PASASON in Lao 2 Apr 94 p 5

["Talk" by Singha Sai: "Remove the Thorn To Improve Lao-Thai Relations"]

[Excerpts] When it is said that Lao-Thai relations in the recent past have been very peaceful, no one will deny it. [passage omitted]

Speaking of cooperation in public security along the Lao-Thai border, from the time of first meeting of the committee for cooperation to maintain peace along the Lao-Thai border until the third meeting now, it is clear that Lao-Thai relations have steadily developed. For example the cooperation to maintain peace along the border has been steadily improved so that the situation there has gradually become peaceful. Brigadier General Douangchai Phichit, secretary-general of the committee for cooperation to maintain peace along the border, told our group of reporters that "the people living along the Lao-Thai border feel more secure than in the past in making a living and traveling to and from the neighboring country." The cooperation in each locality involved the many border provinces of the two countries meeting officially and signing memoranda with each other as well as consulting to find ways to correct various problems which groups of bad people had caused to disrupt the peace in their localities on the border. The cooperation was undertaken to make the border areas in the provinces on both sides peaceful.

In addition the cooperation between the armies of Laos and Thailand has involved talks and visits which have brought greater understanding. The top Thai officers including those from the Ministry of Defense, the Supreme Command Headquarters and RTA headquarters have approved of continuing to correct past weaknesses and obstacles to relations, especially those hostile groups that want to cause confusion and to disrupt the peace in order to block the expansion of Lao-Thai relations. Because of the determination of the Thai officials above, it is felt that in the future Thai officials will do everything in their power against the bad groups which hope to disrupt

Lao-Thai relations in order that Lao-Thai relations steadily improve and the Lao-Thai border is peaceful and stable.

On 23 February 1994 officials of the Thai Supreme Command Headquarters had Lt.Gen. Phiradet Miphian, the head of the Directorate of Joint Intelligence of the Supreme Command Headquarters, provide information to the Director of the National Police Department so that he could proceed with the case against Vang Pao, Thonglit Chokbengboun and their associates under the charge of violating Thai security—their base used Thai territory to conduct operations against the Lao government. It was used for concealing weapons, and it caused losses for the Thai people along the border. In addition this affected relations and created doubts between Laos and Thailand. In any case many Thai publications printed stories about this, and they all felt that Thai officials would act as quickly as possible because in a few days the ceremony officially opening the Friendship Bridge was to be held, and the day of this historic ceremony required peace on the Lao-Thai border.

The Thai English-language newspaper DIMENSION wrote that: "Vang Pao and Thonglit have a close relationship with the CIA." The commander for suppression said that wrongdoers, especially Vang Pao and his right-hand man, Thonglit, would have to be arrested if they returned to Thailand. If they were in another country, officials would observe to see if they were able to make their group obey the law. A month has passed, and there has been no new information. For real peace on the Lao-Thai border, Thai officials will have to move fast to make their deeds match their words.

* Vientiane District Security Problems Noted

94SE0117A Vientiane KONGTHAP PASASON LAO in Lao 30 Mar 94 pp 3, 4

[Report by Dokpek Meuangphouan: "Public Security Activities in Feuang District"]

[Excerpts] Feuang District of Vientiane Province lies in the distant mountains. [passage omitted]

Relying on the special characteristics of the district, a number of bad groups have in the past spread propaganda slandering the policies and plans of our party and have seduced and deceived some ignorant members of ethnic minorities into being their lackeys, whom they used to create disorder in the localities and cause difficulties for the people in making a living. Since 1993, in order to bring the peace and stability of a base area to the entire district, the party committee and administrative committee of the district as well as its military headquarters and public security service have worked together closely both in planning and actual operations. [passage omitted]

Then they mobilized the able-bodied LPRYU members to volunteer to serve the nation. They mobilized the multi-ethnic people and various mass organizations such as the LPRYU, the women's organization, trade unions, and the

united fronts in each village to put their material possessions at the disposal of the cadres and combatants who were maintaining the peace in the localities at various points. The guerrilla forces, self-defense forces, police and district soldiers, in addition to coordinating closely in inspecting and defending the peace in their localities, also improved their political and military skills. [passage omitted] In particular they set up a security service for each village to be on duty 24 hours a day which inspected the papers of people entering and leaving and inspected for gamblers and other dangers to society. When something bad happened, they quickly coordinated their activities and reported in a timely fashion.

Because the party committee, administrative committee, and the district military headquarters always recognized the importance of public security activities and because the multi-ethnic people throughout the district were very patriotic and had a tradition of brave struggle and unwillingness to submit to the enemy, the unrest in the district has now been overcome, and we can now say that the entire district has the peace and stability of a base area. [passage omitted]

Philippines

Ramos Signs Measure To Liberalize Banking Market

BK1905065294 Quezon City Radio Filipinas in English 0230 GMT 19 May 94

[Text] President Ramos has signed into law the measure liberalizing the entry of foreign banks into the country. In his speech during the signing, the president said the new law will trigger more efficient operation for local banks as well as facilitate new business and investments. Republic Act 7721 was also lauded by members of the banking community. Rafael Buenaventura, president of the Bankers' Association of the Philippines, said the new law is a balance between national interest and the economy's globalization requirement.

ROK's Han Proposes 'Special Partnership'

SK1605082594 Seoul YONHAP in English 0747 GMT 16 May 94

[Text] Manila, May 16 (YONHAP)—South Korea proposed Monday to form a "special partnership" with the Philippines accenting economic cooperation. Philippine President Fidel Ramos, meanwhile, has invited South Korean President Kim Yong-sam to visit Manila.

Manila pledged to support Seoul's bid for a non-permanent seat on the UN Security Council in 1996-97 and said it will not seek diplomatic normalization with North Korea before resolution of the nuclear problem.

Starting the first working day of his Asian tour here, visiting South Korean Foreign Minister Han Sung-chu made the offer in talks with his Philippine counterpart

Roberto Romulo and President Fidel Ramos, the director-general for Asian affairs at the Foreign Ministry, Yu Pyong-u, said after the meeting.

Both Ramos and Romulo responded positively but the two sides will need to discuss the format, Yu said. Ramos expressed his wish to invite President Kim to his country.

"The Philippines is the closest country to South Korea in the Association of Southeast Asian Nations (ASEAN)," Han told reporters Sunday. "We share similar experiences in recent political development, specifically in the democratization process, and there is much we can offer to the Philippines in terms of economic growth experience."

He said Seoul is thinking of a civilian forum that would be assisted by the government to guarantee a two-tier cooperation channel at both the official and unofficial levels.

Romulo and Ramos, on the other hand, suggested that the two countries form an "eminent persons group" or a think tank, Yu said.

The "special partnership" would be the first of its kind involving South Korea and a member of ASEAN.

Bilateral trade is increasing steadily and hit 1.25 billion U.S. dollars last year, with Seoul posting 934 million dollars in exports for a 617-million-dollar surplus.

Filipino soldiers, including President Ramos, fought for the Seoul side during the fratricidal 1950-53 Korean War.

Romulo, recalling his country's past cooperation in trying to defuse the North Korean nuclear crisis, pledged continued support, Yu said.

He sought better conditions for the estimated 8,000 "undocumented" Filipino workers, asking that they be allowed to stay longer or that the quota of 3,000 who are officially accepted as foreign trainees be increased.

Han said he will review the issue at inter-ministerial talks, Yu said.

Han requested that South Korean banks be included in the list of foreign banks that will be given operating permits in the Philippines.

Manila revises its banking laws Tuesday, when it will give operating permits to 10 foreign banks chosen from different regions of the world.

Romulo and Ramos said they will "take note" of South Korea's request.

ABB Said To Order Assassination of Sison Loyalists

BK1805143294 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 18 May 94

[Text] The Alex Boncayao Brigade [ABB] has issued a directive to kill the leaders of the group loyal to Jose Maria Sison, Communist Party of the Philippines chief. This was

revealed earlier today by Chief Superintendent Leandro Mendoza, Philippine National Police [PNP] director for intelligence.

According to Mendoza, the fight between the ABB and Sison loyalists might commence any day and may trigger violence in Metro Manila.

Mendoza refused to identify who among the leaders of Sison loyalists are included in the hit list of the ABB. Mendoza added that if the killings start, the peace process maybe affected.

As of now, the PNP is monitoring the activities of the two groups to prevent the outbreak of violence.

[Begin Mendoza recording in progress] ...because this might escalate to a point where they will be killing each other. And in the process, of course, neither of the group will admit to the slaying. The government might be blamed for the killings. [end recording]

Columnist Cites 'Inconsistency' of Sison Positions

BK1805143894 Manila PHILIPPINE DAILY INQUIRER in English 16 May 94 p 5

[From the "You and the Law" column by Raul J. Palabrica: "Inconsistency in Joma Sison's Position"]

[Text] Internal problems continue to wrack the ranks of the Leftist movement in the country. More than a year after President Ramos initiated peace talks with its umbrella organization, the National Democratic Front, the question of who between the leaders in the field and the officials based abroad has the moral authority to represent the movement in the negotiations remains unsolved.

The difference in opinion on how to approach this issue has led to the breakup of the once monolithic Communist Party of the Philippines (CPP) and its affiliate organizations. Three factions, all claiming to represent the legitimate aspirations of the oppressed masses, have emerged from the conflict. The intense ideological dispute is believed to have gone beyond the level of debate and claimed its first victim in the person of former NPA [New People's Army] Banahaw Command leader Leopoldo Mabilangan. A faction identified with Jose Ma. Sison, CPP founding chair, claimed responsibility for the death of Mabilangan.

The bloodletting is expected to continue in the wake of reports coming from Sison's camp that a "people's court" has found former CPP stalwarts Felimon Lagman, Arturo Tabara, Romulo Kintanar, and Ricardo Reyes guilty of serious crimes against the people and sentenced them to death. The verdict will be carried out by a group specially organized for that purpose. The announcement served to confirm Sison's earlier statements that his four rivals would be facing trial for their alleged crimes.

The news came shortly after reputed CPP Secretary General Wilma Tiamzon was arrested by elements of the Philippine National Police. When demands for the release of Tiamzon were not heeded by the government, Sison,

speaking from The Netherlands, bewailed the arrest and detention as illegal (because the basis for the arrest, illegal possession of firearms, was dismissed by the prosecutor) and inhuman (because she is suffering from serious health problems). He threatened to pull the National Democratic Front out of the peace talks if Tiamzon would not be freed.

It is amazing how Sison can change from one ideological posture to another without batting an eyelash. A day after Tiamzon's arrest, he spoke on several radio talk shows to condemn the violation of Tiamzon's human rights. Without being forthright about it, he acknowledged that Tiamzon was entitled to all the rights and privileges that the Constitution guarantees to Filipino citizens suspected of having committed a crime. The same Constitution he refuses to accept as the framework within which the peace talks shall be conducted.

However, for former CPP leaders who dared question his handling of the affairs of the Leftist movement in the country, that adherence to democratic processes is non-existent. His critics are not in the same league as the run-of-the-mill politicians who criticize for the sheer joy of it or to attract attention. They are men who braved the guns of the military and bore the rigors of life in the mountains to keep the flame of the movement burning while Sison enjoyed the comforts of self-exile in Europe. Their past achievements, notwithstanding refusal to toe the line of the party chair, was considered a serious offense against the movement which deserved disciplinary action after hearing by a "people's court."

The word is out that a "people's court" has convened and decided that Sison's four erstwhile comrades should die for their crime. How the verdict was arrived at was never explained. Whether or not Lagman, Tabara, Kintanar, and Reyes were given the opportunity to defend themselves is a big question mark. As there are no transcripts of the proceedings, third parties can only speculate on what transpired in the trial assuming it was really held. One thing though is sure: the subject of the trial kept away from the places where Sison's faction holds fort in the wake of reports that his followers are after their head.

Noticeably, Sison has not expressed any concern for the human rights of the four "convicts" as he did for Tiamzon. Neither has he shown equivalent compassion for them and their families who now have to suffer the anguish of anticipating death whenever they sense the presence of unidentified or suspicious-looking persons in their midst. In Sison's book, those opposed to his rule enjoy less rights and privileges than the faithful who accept his doctrinaire teachings as gospel truth. The principle of equality of all social classes which is a cornerstone of the CPP's war for national liberation appears to have lost its meaning in the current strife within the Leftist movement.

It's time Sison accepted the reality that more than 30 years have passed since he started his struggle. The world's political climate has changed. The principal source of financial support for the movement, the Soviet Union, no longer exists. The dictator he fought so strongly against is already dead. A more democratic system of government is

in place. The Marxist-Leninist doctrine on seizure of political power is no longer in tune with the times. A change in approach is necessary if Sison sincerely wants to play a significant role in the political development of our country.

Unless corrective measures are taken by its leadership, the "people's court" verdict on the four former CPP stalwarts may turn out to be the spark that would trigger the incineration of the Leftist movement in the country.

Rebel Leader To Be Transferred to Peace Committee

BK1905074594 Quezon City Radio Filipinas in English 0230 GMT 19 May 94

[Text] A regional trial court in Quezon Province, 180 kilometers south of Manila, has ordered the transfer of captured Leftist leader Wilma Tiamzon from the national police to the custody of a Joint Peace Committee of the Catholic Bishops' Conference and the National Council of Churches in the Philippines. The court order virtually released Tiamzon to the Joint Peace Committee, which named Bishop Alberto Ramento as Tiamzon's local guardian and who shall be charged to their safety and appearance in court. [sentence as heard] The arrangement was reached after President Ramos earlier announced Tiamzon's release on the recognizance of a responsible institution.

Romblon To Receive P300 Million in Infrastructure

BK1805151394 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 18 May 94

[Text] There is now hope that the poverty of Romblon Province will be relieved. This was announced by Speaker Jose De Venecia after launching P [Philippine pesos] 300 million worth of infrastructure projects there. De Venecia recently made a three-day visit to the province considered one of the poorest places in the country. Among the projects scheduled are wharves, airports, schools, roads, and telecommunications facilities.

Thailand

ROK Foreign Minister Continues Official Visit

Discusses Trade Issues With Prasong

SK1805234894 Seoul YONHAP in English 1724 GMT 18 May 94

[Text] Bangkok, May 19 (YONHAP)—Thai Foreign Minister Prasong Sunsiri asked for South Korea's efforts in rectifying the trade imbalance in Seoul's favor Wednesday, requesting that the two countries open trade ministers' talks within this year to discuss the issue.

Prasong promised to fully consider Seoul's bid for non-permanent seat on the UN Security Council 1996-1997 and South Korea's request to have its banks acquire full service license from 1997.

Visiting South Korean Foreign Minister Han Sung-chu met with Prasong for over an hour where bilateral trade issues and regional security agendas occupied most of the meeting. Yu Pyong-u, director-general of Asian Affairs at the South Korean Foreign Ministry, said.

Two-way trade last year closed at 1.76 billion U.S. dollars with Seoul netting 1.23 billion dollars in surplus. South Korea's investment in Thailand stopped at 190 million dollars due to the China boom that took businessmen's interest away from Southeast Asia to the new attraction in China.

Yu said Prasong specifically asked South Korea to allow more Thai imports in such products as tapioka and frozen chicken.

Prasong suggested that the two countries open their 11th trade ministers' talks within this year to address this problem.

Han, on the other hand, requested that South Korean banks be included in the 10 foreign banks that will be given full service license from 1997 to operate inside Thailand.

Prasong said his government will take into account Seoul's request.

Han explained the latest development on North Korean nuclear issue, emphasizing that the matter is not just a regional issue but a concern for the entire international community, Yu said.

The South Korean foreign minister is here on the second stop of his Asian tour that will take also take him to Vietnam and Indonesia.

Meets Chuan on Nuclear, Regional Issues

BK1905032994 Bangkok THE NATION in English 19 May 94 p A8

[Text] Thailand will support South Korea's candidacy for non-permanent membership of the UN Security Council, Foreign Minister Prasong Sunsiri said yesterday.

Ambassador Nit Phibunsongkhram in New York will be asked to consult with other ASEAN members about the issue, Prasong told reporters after meeting with visiting South Korean Foreign Minister Han Sung-chu.

The visiting minister had been granted an audience with His Majesty the King before meeting with Prasong.

The UN membership issue has also raised at a meeting between Han Sung-chu and Prime Minister Chuan Lik-phai, along with Chuan's planned visit to South Korea between June 23 and 26 at the invitation of President Kim Yong-sam.

Chuan asked South Korea to open its markets to more Thai agricultural products, including tapioka and frozen chicken, to reduce the trade deficit, Prasong said. He quoted Chuan as saying Thai imports from South Korea were mostly high-cost industrial goods while Thai exports were mainly agricultural products.

Han Sung-chu, who arrived in Bangkok on Tuesday from the Philippines, is on a three-day official visit to Thailand to promote bilateral relations. He will leave for Vietnam and Indonesia today.

The South Korean minister discussed with Thai leaders tension over the nuclear issue in the Korean peninsula. Thailand, a member of the International Atomic Energy Agency and a party to the Nuclear Non-Proliferation Treaty, has good ties with the both North and South Korea.

Other topics included Cambodia, Burma and the upcoming ASEAN Regional Forum which South Korea will be attending along with 16 other countries in the Asia Pacific region. The forum is the first of its kind for ASEAN.

Prasong said North Korea could join the forum only after the Korean Peninsula issue is solved. North Korea has canvassed ASEAN governments for support to attend, claiming that they should not be excluded because they are part of the Asia Pacific region.

Fearing that the forum could turn into a "boxing match" between the two Koreas, ASEAN officials viewed North Korea's participation as a prospect for the "longer term", when there are positive signs in the dialogues between North Korea and the United States.

"South Korea thinks that in order to resolve the nuclear issue and also deal with the problems we have with the North, dialogue is essential. Unfortunately right now there is no dialogue. We hope North Korea will open dialogue so we can improve relations and also resolve the nuclear problem," Han told reporters. He said South Korea was ready for talks anywhere, at any level, and as soon as possible. He noted that at present the response from the North was negative.

Han said that dialogue between the U.S. and North Korea depended on the outcome of the International Atomic Energy Agency inspection, expected in the next two weeks.

U.S. Evidence Ruled Insufficient To Try Thanong

BK1905051694 Bangkok THE NATION in English 19 May 94 p A4

[Text] Interior Minister Chawalit Yongchaiyut yesterday ruled out the possibility of embattled Member of Parliament [MP] Thanong Siriprichaphong being prosecuted in Thailand unless Washington provides more evidence to substantiate drug trafficking accusations against him.

Chawalit said after meeting with other senior officials concerned that the U.S. government had only provided a copy of its indictment against Thanong. That was not sufficient to prosecute a case before a Thai court, he said.

At the meeting with Chawalit were Deputy Permanent Secretary Ari Wong-araya, Interior Ministry legal adviser Chailoet Ditsamnat, national Police Chief Prathin Santi-phop, Deputy Police Chief Pol Gen Phot Bunyachinda,

Assistant Police Chief Thanu Homhuan and Chawalit's personal secretary, Sonchai Montriwat.

"The copy of the U.S. indictment cannot alone be used as evidence to substantiate drug allegations against Thanong. The police cannot do anything at present," Chawalit said.

The minister has ordered Prathin to ask the Drug Enforcement Administration (DEA) for more details relating to the charges.

Chawalit also said he wants more information from Washington about Foreign Minister Prasong Sunsiri's revelation that 17 other Thai MPs stand accused by the U.S. of being involved in drug trafficking.

Chawalit has ordered the Office of Narcotics Control Board to gather evidence related to the Thanong issue. Prathin said he is awaiting additional information from the Foreign Ministry.

Asked to confirm a Chat Thai Party statement that Thanong faces only six months in jail if convicted here of drug trafficking, Chawalit said he does not know the penalty involved.

Given adequate evidence, Prathin said, Thanong would not escape prosecution on any drug charges just because of his stature or influence.

Attorney General Ophat Arunin said yesterday the government should decide quickly whether to extradite Chat Thai MP Thanong Siriprichaphong to face drug trafficking charges in the United States. Ophat will testify today before the House committee on parliamentary affairs which is investigating the issue. He would inform the committee of all information he received from U.S. officials.

Textile Pacts Extended With U.S., Norway, Canada

BK1805082094 Bangkok Radio Thailand Network in English 0000 GMT 18 May 94

[Text] Thailand has extended textile agreements with the United States, Norway, and Canada. The extension of the agreements was acknowledged by the Cabinet as proposed by the Ministry of Commerce.

With the United States Thailand signed a memorandum of understanding on 1 April 1994 extending their bilateral textile agreement for another year. The agreement would automatically be extended for another year if the GATT textile agreement does not come into effect. With Norway Thailand signed agreed minutes extending their textile agreement for another two years from 1 January 1994 to 31 December 1995.

Thailand and Canada signed an agreed record of discussion extending their textile accord for another two years from 1 January 1994 to 31 December 1995.

Trade Surplus With U.S. Increased by 4%

BK1905051494 Bangkok NAEO NA in Thai 16 May 94 pp 5, 6

[Excerpt] According to a report from the Business Economic Department, Thailand gained a surplus of 66,375 million baht in trade with the United States, an increase of four percent over the previous year. The total trade value was 337,865 million baht, or an increase of 10 percent over 1993. Thailand exported 202,120 million baht worth of goods, an increase of nine percent. It imported 135,745 million baht worth of goods from the United States, an increase of 12 percent. The United States is Thailand's second biggest trading partner after Japan. Trade between Thailand and the United States has been increasing over the past five years, with Thailand steadily gaining the surplus. The major Thai exports are garments, computers, and spare parts, frozen shrimp, gems and jewelry, and electronic integrated circuits. Major imports from the United States include electrical-powered machinery, industrial machinery, chemicals, aircraft, and electrical appliances. [passage omitted]

Government Action Against Money Laundering Urged

BK1905052594 Bangkok BANGKOK POST in English 19 May 94 p 4

[Editorial: "Time to clean up the dirty laundry"]

[Text] Last week in Taiwan, police broke up a heroin sales operation. The drugs were made in Burma, and sold in Taiwan by Singaporeans. The managers of the heroin ring were Hong Kong triad members who live in Thailand. Drugs entered Taiwan aboard ships of various nationality, sent mixed among other cargo by Bangkok transport agencies. Operations were masterminded across international satellite telephone connections, and profits were banked somewhere, although police are not yet sure where. This was, authorities point out, only a "small" smuggling operation responsible for dumping an estimated 50 kilograms of heroin per month on hapless addicts in Taiwan.

It is no wonder, then, that leaders of the international Financial Action Task Force (FATF) were in town last week pushing for new laws to combat drug smuggling. National police forces, up against an organized foe which is both sophisticated and ruthless, are losing the battle against addictive drugs. The international scope of the narcotics business is obvious. It is equally plain that drug traffickers only can be combated through international cooperation. Thailand must consider accepting the call of the world community to enact new, tough laws against money laundering.

FATF is a five-year-old group with a growing membership, funded by the G-7, of the world's second richest nations. It is mainly a lobbying group, formed to convince countries and bankers alike that it is in their own interest to monitor huge flows of cash. By watching where such money goes, FATF and its backers argue, big time drug dealers can be identified, investigated and ultimately put out of business.

It is a compelling argument to beleaguered anti-narcotics agents. FATF President John Gieve told our officials it also should be attractive to the very people involved—our bankers. "A country or a center which wishes to attract the top names will find it easier to do so if they have in place anti-money laundering legislation," Mr Gieve said.

Some read this statement as a threat. But it is, instead, a promise. Cash transactions with banks are becoming ever more tightly controlled throughout the world. Even where banking is traditionally secretive and protective of the customer, such as in Switzerland, large transfers now are routinely reported to the police if the banks have any suspicion about their origin. Banks and nations which cooperate in anti-laundering efforts get more international business when they enter the financial centers.

Efforts to combat drugs kingpins have more and more targeted their fortunes. Sales of narcotics are performed with cash for a variety of reasons, just as most legitimate commerce is done more and more with paper. Warlords have assembled armies which outgun most police forces, but the bosses of the drug gangs must convert their profits. Money laundering is aimed at converting "dirty money" from drugs into "legitimate money," which then can be used for any purpose—even for buying entire governments.

Anti-laundering laws are the legal version of the famous Watergate maxim on how to catch villains: "Follow the money." A huge cash deposit may be attractive to a banker. But unless he knows the businessman making the deposit, money-laundering laws require him to report the transaction to authorities. This opens up a new line of inquiry to authorities. If written carefully and enforced without favor, such laws will not affect honest citizens, and will enhance the reputation of banks which participate.

Clearly, no inroads will be made against major drug trafficking without international cooperation and effort. Already, neighbors such as Australia, Japan Hong Kong and Singapore have passed tough anti-laundering laws, without harm to the business of their banks nor the privacy of their people. Unquestionably, the Government must consider such legislation carefully, and seek advice both from other countries and our own judicial experts before acting. But action on money-laundering must be taken soon.

Because Thailand is a front-line drugs state, the Government must take the responsibility of acting. Drug use already harms our country badly in many areas, from the spread of AIDS through massive corruption and countless petty crimes by desperate addicts. Because it is close to the production centers in Burma and Laos, Thailand also attracts major traffickers. Our country, and our banks, are healthy enough to reject drugs money. The Thai Government should take action to make the country increasingly unattractive for drug traffickers. A careful, but tough, anti-laundering law would mark a major step in such an effort.

Yunnan Governor Calls for More Investment

BK1905070894 Bangkok XIN ZHONG YUAN RIBAO in Chinese 17 May 94 p 7

[Text] He Zhiqiang, the governor of China's Yunnan Province, called on Board of Investment [BOI] Secretary General Sathaphon Kawitanon last week. During the talks, the Yunnan governor asked the BOI to promote Thai investment in southern China as part of the hexagon sub-regional economic development project.

BOI Secretary General Sathaphon told reporters after the meeting that the Yunnan governor wanted more foreign participation to support his plan to move towards a market-oriented economy. Thailand has so far invested in 11 projects worth U.S. \$50 million in Yunnan and ranks as its 6th most active foreign investor. Its businessmen invest mostly in small and medium-sized enterprises. Two of the 11 projects are supported by the BOI.

During the meeting, the BOI secretary general said Thai businessmen have recognized the investment opportunities in Yunnan well, but they felt obstructed by the inadequate infrastructure. Yunnan Governor He Zhiqiang said a large amount of Thai investment would likely enter Yunnan when the construction of a highway linking Thailand and southern China is completed. He Zhiqiang is accompanied by a nine-member delegation including the Mayor of Kunming.

Yunnan needs foreign investment to develop its economy. To date, 129 foreign investments in projects worth U.S. \$500 million have been undertaken in Yunnan. Hong Kong investors are the most active, followed by the Taiwanese, Japanese, Singaporeans, Americans, and Thais. The most active sectors are machinery, agriculture, food, real estate, hotels, and chemicals.

The BOI secretary general said Thailand might participate in zinc and coal mining, or in agriculture. Moreover, nearby Vietnam has a number of waterfalls that can accommodate hydro-electric plants. However, he noted that businessmen have found it difficult to transport their products from Yunnan to other areas due to the inadequate infrastructure. But, this problem will be solved soon because Thailand and China are planning to link Thailand to southern China as part of the hexagon economic development project.

Finance Officials Outline 5-Year Economic Plan

BK1605041094 Bangkok THE NATION in English 16 May 94 p B12

[Text] The Ministry of Finance said its policy goals for 1997 are the economy growing at 8.2 per cent a year, with inflation of no more than five per cent and current account deficit within two per cent of gross domestic product. Also, it wants all departments to shape up and cope better with the increasingly competitive economic environment.

Between May 13-15, the Ministry of Finance held a seminar on its five-year plan. It was chaired by Finance Minister Tharin Nimmanhemin, and attended by most senior officials.

Until recently, the plan which is to cover the years 1993-1997 had been just a broad framework. The seminar was to refine the plan, transforming policy goals into policies and concrete measures.

Speaking at the seminar, Tharin stated the role of the Ministry of Finance. He said it must strive for the country's macroeconomic stability given that international economic conditions are changing rapidly. It should also try to bring about more equitable regional income distribution, but that shouldn't adversely affect the overall economy.

Thus, in its latest five-year plan, the ministry targets economic growth of 8.2 per cent a year in 1997. The ceiling for inflation and current account deficit (to GDP) is set at 5 per cent and 2 per cent, respectively.

"The growth rate that we set is not too high compared to current economic conditions. This is because we need to maintain macroeconomic stability, otherwise inflation could be too high causing the current account deficit to deteriorate further," said Suwan Phasuksawat, the Fiscal Policy Office's (FPO) deputy secretary general.

Suwan said the policy instrument that the ministry will use is the government's budget, especially the expenditure side. It has to be consistent with prevailing economic conditions, and for the year 1995 it will have to be a balanced budget.

He also said, "Public investment will become a major tool for the government to absorb the impact of externally induced economic volatility. It will decrease when the economic growth is too strong, but it will help activate the economy when it slows down."

Dr Somchai Ruchuphan, FPO secretary-general, said the ministry will seek to maintain the value of the baht so that it remains credible as it is increasingly used in Indochina.

"We seek to stabilize the baht because it is used widely [in] Burma as well as in Indochina. In 1997, the baht could be a currency for the region and in the near future foreign corporations would certainly issue baht-denominated bonds. We have to lay down necessary rules and look for measures to help keep the baht from excessively fluctuating," Somchai said.

He said the government's further financial liberalization is contingent upon an assessment of the past impact.

On revenue, three departments are involved. And their role from now on will be changed, Somchai said.

The Excise Department will have to enhance its operational efficiency as it has to collect taxes on consumption of gasoline, some electronic items, liquor, cigarettes and automobiles. The revenue from these tax items tends to rise along with the pace of economic growth.

The Revenue Department is expected to have a higher proportion of total government revenue as the base for value-added tax has expanded along with the economy trade and investment. And the department already has a policy to improve efficiency in tax collection.

The revenue of the Customs Department is expected to fall due to international economic obligations. But the department may have to collect tax from a larger amount of merchandise as the tariff rate will fall.

Treasury Department Secretary General Niphat Phukkasut said the department would shift its attention to property development. It would adopt the private business concept and would propose that government agencies pay rental fees for the use of land which belongs to the Treasury Department.

In the seminar, Tharin said the ministry would help local government to have at least twice the current revenue. This will come from fees on land transfer, estimated to be at least Bt10 billion a year.

"Local government which sees active trading in land will also have higher revenue," Tharin said.

To privatize education, Tharin said he would propose to the Cabinet some tax, incentives, including allowing schools to rent land from the Treasury Department at concessional rates.

Vietnam

Vo Van Kiet Dismisses PRC Oilfield Claim

BK1905090794 Singapore THE STRAITS TIMES in English 19 May 94 p 17

[Text] Vietnam yesterday dismissed China's claim of sovereignty over the Blue Dragon oilfield in the Vietnamese continental shelf as "totally unacceptable", but said Hanoi would not go to war with Beijing over it.

Vietnamese Prime Minister Vo Van Kiet told THE STRAITS TIMES in an interview: "We have to defend our territories. But there is no reason for us to use force in this instance because there has been an improvement in relations between China and Vietnam."

The state-run PetroVietnam oil company is working with Mobil on exploring the Blue Dragon (Than Long) field, which the Vietnamese government claims is not part of the Spratlys. But China has said that the zone on the Vietnamese continental shelf should be transferred to the disputed Spratly-island chain—claimed wholly or in part by Brunei, China, Malaysia, the Philippines, Taiwan and Vietnam.

Said Mr. Kiet: "Their claim to our territory is out of the question but we will try to resolve it by peaceful means."

Vietnam had called for measures to ease tensions.

Mr. Kiet said Hanoi and Beijing were also pursuing diplomatic means to resolve their dispute over the Paracel islands, which both countries are claiming.

"The Paracel issue is separate from the Spratlys dispute. It is strictly between Vietnam and China and can be solved through negotiation," he said.

China is reported to have deployed warplanes at an air base on the largest island in the Paracel chain to expand its striking power over the region. But Mr. Kiet said it was unlikely that the two countries would use force, as they did in 1988 over the disputed islands when their navies clashed.

"The trend in the world and the region is economic growth and development. It will not benefit China and Vietnam to go to war," he said.

Vo Van Kiet, Singapore's Goh Discuss Economic Pacts

BK1805100294 Hanoi VNA in English 0644 GMT 18 May 94

[Text] Hanoi VNA May 18—Prime Minister Vo Van Kiet following his visit to Myanmar [Burma] paid a working visit to Singapore as guest of Prime Minister Goh Chok Tong.

The two prime ministers during their talks yesterday exchanged views on practical measures to push up the implementation of the agreements recorded during the Singaporean leader's official visit to Vietnam in March 1994, including their cooperation in the building of the agreed industrial zone, tourism and air services, and ship building and repairing. The two prime ministers assigned Minister Do Quoc Sam and Minister of Trade and Industry Yeo Cheow Tong the task of coordinators for the building of the industrial zone.

On regional issues, the two prime ministers reaffirmed their determination to contribute to the trend of peace, stability and cooperation in Southeast Asia. Prime Minister Vo Van Kiet said that Vietnam is actively preparing to become a full member of the ASEAN.

P.M. Kiet also met with Senior Minister Lee Kuan Yew who paid him a courtesy visit, called on the Keppel Company, the Singaporean leading company in cooperating with Vietnam in ship repairing, oil and gas service and house building, and other places.

Prime Minister Vo Van Kiet is scheduled to attend the Asia Society conference themed 'Wave of the Future: ASEAN, Vietnam and China-Opportunities for World Trade', where he will deliver an address on Vietnam.

Prime Minister Meets With New Zealand's Bolger

BK1805155594 Hanoi VNA in English 1433 GMT 18 May 94

[Text] Hanoi VNA May 18—Prime Minister [P.M.] Vo Van Kiet met with New Zealand Prime Minister, J. Bolger in Singapore today during his participation in an international conference on opportunities for world trade.

Speaking on the occasion, P.M. Vo Van Kiet highly appreciated the New Zealand Government's decision to send a delegation of experts to Vietnam to study its animal breeding and forestry. The two sides stressed the importance of peace stability and cooperation in the interests of

the development of the Asian-Pacific region, and they agreed that Vietnam and New Zealand would work together for that notable target.

For his part, P.M. Bolger supported Vietnam to join ASEAN and participate in all Pacific systems. He also affirmed New Zealand's desire to have close relationship with all Asian-Pacific countries, including Vietnam.

Phan Van Khai Receives Danish Minister 17 May

BK1805153394 Hanoi VNA in English 1424 GMT 18 May 94

[Text] Hanoi VNA May 18—Vice Prime Minister Phan Van Khai received here on May 17 Danish Minister for Development Cooperation Ms Helle Degn who was leading a Danish trade delegation on a Vietnam visit.

Vice Prime Minister [P.M.] Phan Van Khai hailed the results of the meetings between Minister Degn with Vietnamese Government agencies and organizations concerned on the friendly relation and economic and trade cooperation between the two countries in the coming years. The vice prime minister stressed that Vietnam would do its best, together with Denmark to effectively carry out the programme of economic and trade cooperation between the two countries for mutual interest.

Minister Degn informed Vice P.M. Khai that the Danish Government had decided to take part in a long term programme for development and cooperation with Vietnam. She said that members of her delegation were satisfied at the results of their contacts with their Vietnamese partners in order to establish cooperation in various forms.

During her stay in Hanoi, Minister Degn and her entourage also had working sessions with the State Planning Committee and the Chamber of Commerce and Industry and visited some economic and cultural establishments.

Communist Party Delegation Visits PRC 7-17 May

BK1905071394 Hanoi VNA in English 0611 GMT 19 May 94

[Text] Hanoi VNA May 19—A delegation of the Control Commission of the Communist Party of Vietnam Central Committee led by Do Quang Thang, Politburo member, secretary of the party Central Committee and head of the commission, paid a working visit to China from May 7-17.

During the visit, made at the invitations of the Central Committee of the Communist Party of China (CPC), the delegation held talks with a delegation of the Central Commission for Discipline Inspection of the CPC Central Committee led by its secretary Mr. Wei Jianxing who is also Politburo member and secretary of the CPC Central Committee. The two sides informed each other of their activities, exchanged experiences and discussed measures to promote their cooperation.

The delegation was also received by Mr. Hu Jintao, permanent Politburo member of the CPC Central Committee,

and visited a number of economic and cultural establishments and historical sites in Beijing, Xian, Shanghai, Guangzhou and the special economic zone of Shenzhen.

Communist Party Delegation Visits Cuba

BK1905071194 Hanoi VNA in English 0604 GMT 19 May 94

[Text] Hanoi VNA May 19—A delegation of the Communist Party of Vietnam led by Mr Nguyen Van Hon, member of the party Central Committee has paid a visit to Cuba.

While in Cuba, the Vietnamese guests were received by Politburo members of the Cuban Communist Party (CCP) Jose Machado Ventura, Jose Ramon Balagner [name as received], and Mrs. Yadira Garcia Vera [name as received].

During the meetings, the Vietnamese party delegation informed the Cuban leaders of Vietnam's situation in the process of renovation and affirmed the solidarity of the Vietnamese party, state and people with the Cuban people in their cause of national defence and construction.

The Cuban leaders told the delegation of their people's efforts in overcoming many difficulties to defend and build their country and expressed their sincere thanks to the Vietnamese party and people for their solidarity and precious support.

The Vietnamese guests also called at some economic, tourist and oil exploitation establishments in the province of Matanzas and a number of healthcare stations and scientific institution in La Habana.

Do Muoi Visits Son La, Lai Chau Provinces

BK1905073594 Hanoi VNA in English 0614 GMT 19 May 94

[Text] Hanoi VNA May 19—General Secretary Do Muoi of the Communist Party of Vietnam has recently paid a working visit to the Provinces of Son La and Lai Chau, to inspect the implementation of the resolutions of the 5th plenum of the party and of the party's national mid-term conference and make field tour in preparation for the 7th party's congress.

While in Lai Chau, General Secretary Do Muoi had working sessions with the provincial party committee, heard reports on the situation of shifting to agro-forestry structure in the districts of Dien Bien, Phong Tho, and Tuan Giao. He also called at some families of war invalids and fallen combatants, well doing and needy families in Thanh Xuong and Thanh Chan Communes.

In Son La Province, General Secretary Do Muoi had working sessions with the provincial party committee and met with leaders of Mai Son, Yen Chau, Moc Chau Districts and the provincial town of Son La and representatives of several state-run businesses. He also toured the old Son La Prison.

Fifth National Assembly Session To Open 25 May

BK1905112594 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 27 Apr 94 p 1

[Report by "L.C."]

[Text] The Ninth National Assembly Standing Committee recently decided that the Fifth National Assembly Session will open on 25 May and that its planned closing date will be 23 June.

According to the schedule, the session will examine and pass six draft laws, including the draft labor code, the draft law on domestic investment promotion, the draft law on taxes on the transfer of land ownership, the draft of the (revised) law on military service, the draft of the revised law on people's council and people's committee organizations, and the draft of the revised law on people's council elections. The session will also consider a draft civil code.

With the draft law on the state budget in particular, the committee initially planned to present this legislation for passage at the Fifth National Assembly Session. Later the committee was requested by the government to ask the National Assembly to postpone consideration until the Sixth National Assembly Session, as this draft law is very important and may affect socioeconomic development.

The session will hear a government report and consider implementation of the resolution on practicing thrift, fighting wasteful spending, corruption, and smuggling.

The session will also include reports on the National Assembly Standing Committee, the Supreme People's Court, the Supreme People's Organ of Control, the Nationalities Council, and other National Assembly committees during the first six months of 1994.

Antismuggling Campaign Waged in Provinces

BK1805041794 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 17 May 94

[Text] Since early this year, the antismuggling forces of An Giang and Can Tho provinces have uncovered 21,000 cases of smuggling across the southwestern border or in transit through the western border gate with contraband amounting to 12,339 billion dong. They forces have collected 6,180 billion dong as fines and back taxes and have confiscated over 1,279,000 packs of foreign-brand cigarettes. In An Giang alone, over one million packs of cigarettes have been imported illegally.

Lately, because of our regular control over various ground routes, smugglers have shifted to shipping their goods along riverways. They have rented boats for transportation and have hidden their contraband cigarettes under layers of farm products.

Other kinds of contraband originate mostly from China and are smuggled through the northern border and from Thailand through the southwestern border into the western region.

Smuggling has also increased sharply in Binh Dinh in the first four months of 1994, compared to the same period in 1993. The volume of contraband has been increasing rapidly as long-range commercial ships are plying the Binh Dinh sea area with each bringing in between 2,000-3,500 sets of television or video recorders; and cigarettes, and beers of all brands. So far, the province market control committee has collected 502 million dong as fines or back taxes for the budget. The value of contraband in retention now and in which action has yet to be taken is estimated to be worth 1.4 billion dong.

Vu Oanh Writes Article on Unemployment Problem

BK1805160194 Hanoi NHAN DAN in Vietnamese 9 May 94 p 3

[Article by Communist Party of Vietnam Politburo Member Vu Oanh: "Job Creation: A Fundamental and Urgent Task of Mass Mobilization Work"]

[Text] As defined under our country's socioeconomic stabilization and development strategy until 2000, "job creation and optimum use of the work force constitute objectives of primary importance and serve as the criteria for economic development orientations and technology selection..."

One of the important objectives of the research on contemporary international development is to focus on work safety and human resources development to ensure that all things originate from, belong to, and serve the people. The human factor becomes the very objective of people's employment.

Human resources development covers fundamental factors like work safety, food safety, environmental protection, cultural development ... The nature and objectives of job development projects rest with each individual person's creative and chosen work aimed at happiness for himself and the community. The work force constitutes the most valuable factor of development; the mainstay of knowledge, personality, and ethics; and the essential element of happiness. In addition to the fact that human knowledge is acquired genetically, a person may improve his or her background to an important degree thanks to his or her life experiences. Furthermore, in modern times, owing to the marvelous development of science and technology, human knowledge has played a direct role in production. Employment is part of a citizens' rights and duties. It is also the preliminary condition of the laboring people's subsistence, and covers different forms of activities not prohibited by law and that help bring about gratification and generate income for citizens.

The settlement of the unemployment problem must be understood in a new context, as efforts must be made to not limit job development projects solely within the bounds of the social welfare program and of attempts to get rid of the ills of unemployment, underemployment, inefficiency, and low income. Instead, they should be regarded as part of an overall effort to create every opportunity for

citizens to enjoy educational opportunities and make better preparations so they may become people of virtue, earn a living, participate in creative work, enjoy the fruit of legitimate employment, have their material and intellectual property rights protected by law, improve their quality of life, seek personal happiness, and contribute to the well-being of the community.

Under the system of bureaucratic centralism and state subsidization, the state created jobs for everyone, mainly through the state and collective economies. Citizens were dutybound to work, but did not have the right to create jobs themselves or fully enjoy the fruits of their labor. Generally speaking, personnel recruitment was banned and no incentives were given to encourage people to bring their wisdom or business skills into full play. This led to a situation in which production came to a standstill, with people living in poverty and unable to make ends meet. There were instances in which as much as 10 percent of the population suffered from food shortages. Absenteeism prevailed in the state apparatus. The people were worried. The regime was plunged into a crisis situation.

Through the renovation policy, which is aimed at releasing the working class and production forces, a vigorous movement to look for ways of earning a living began in the rural areas and later spread throughout the country, thus completely shifting our nation from unemployment and food shortages to enthusiasm for work and dynamic business and production activities. Many positive changes have been made in everyone's attitude and in other aspects of the national situation. Generally speaking, marked progress has been made in the job market and in the improvement of material and spiritual life. Thanks to creative work and efforts to overcome dangers, the people have become more self-confident. The party-people relations have been consolidated by challenges and shown indications of better quality.

Nevertheless, our efforts to resolve the unemployment problem and improve living conditions in the framework of the renovation policy are facing major shortcomings and difficulties. As a result of the heavy impact of the population explosion (2.29 percent) coupled with a growing increase in the work force (3.5 percent per year), about 1.1 million young people reach working age each year. There are of about 2.2 million unemployed people in the cities, nearly 10 percent of the urban population. This ratio is beyond the limit for public security. Urban residents account for 20 percent of the population. This fact constitutes the underlying cause of social vices like prostitution, drug addiction, theft, and robbery resulting in the death of victims ... Most of the unemployed people are youths and 85 percent of them do not have any skills. In the countryside, the average amount of cultivated land per capita is 0.1 hectare, which represents the lowest figure in the region. Meanwhile, the population density is 200 people per square kilometer, which represents the highest figure among agricultural countries. Peasants account for 80 percent of the population, engage chiefly in agricultural production, and receive only about 36 percent of GDP. One wage earner can support only three dependents. In

many countries this figure is 20 to 30, and in some countries even 60 or 80. As far as the countryside is concerned, about half of the work force is unemployed and 30 percent of rural families are poor. Worse still, most of those families are social welfare recipients based on the average per capita income earning rate of less than 15 kilos of rice per month. In industry, labor productivity is only 30 percent of the international average, while material and fuel costs are 1.5 to two times greater.

Our latent natural resources are very great but our efforts to exploit them are poor. We have 1 million square km of continental shelf, which is three times larger than our inland area; a 3,200-km long coast with hundreds of islands, large and small; 12 million hectares of hills and mountains which are still uncultivated; many border areas; 160 rivers and canals leading to the sea; and a very large area which can be used for aquaculture. Most of these natural resources, however, remain in the form of latent potential. Of striking importance is the fact that we have an intellectual force of over 600,000 cadres with college and higher-education, 400,000 overseas Vietnamese intellectuals, and 5 million war veterans and retired cadres. The total capital of our people, both inside and outside the country, amounts to billions of U.S. dollars. Not much effort has been made to have them invest their money in production. Our capital, a huge asset indeed, is being worn out because of poor business management.

Generally speaking, the domestic market, including the labor market, has not been motivated and exploited satisfactorily. Information for the many "input- and output"-related services of various economic components is still very poor. That is why we have not been able to develop our potential to resolve the unemployment issue.

This situation has been ascribed to the fact that the starting point for our national development is too low: Our per-capita annual GNP is only around \$200, thus ranking Vietnam 156th among the 173 less developed countries. If based on the HDI (Human Development Index, including GNP, and the Cultural and Social Index), Vietnam may rank 115th among those countries.

The market economy has taken shape, bringing about tangible results. We are encountering difficulties, however, in changing our economic structure and restructuring economic management and the ownership of various economic components. Political indoctrination has not been closely linked with and has failed to serve as a driving force for economic renovation. Cultural development has also not been blended with economic renovation. Now there is a striking and essential requirement for being consistent in choosing targets and in assessing and using social driving force and the intellectual and material properties of the great national unity bloc for national development and renovation. We must link ourselves with it [the economic renovation task] and through this, develop to the fullest the strengths of science and technology and exploit our advantage as a practitioner who enjoys geographical, political, economic, and cultural, military, and historical advantages

as a country in the Asia-Pacific region—an area with the most dynamic potential for development in the 21st century.

We need to resolve these fundamental issues if we are to develop our capability to resolve unemployment more satisfactorily and rapidly.

A correct target chosen by our party and people is to realize the socialist ideal. To attain this goal, we need a long, multi-stage process. Therefore, it is important that we pay constant attention to our immediate goal of "building a peaceful, unified, independent, democratic, and prosperous Vietnam" (President Ho Chi Minh's testament) and a prosperous people, powerful country, and equitable and civilized society, bearing in mind a consistent strategic slogan for various stages of development, that is, independence, freedom, and happiness. This slogan of Uncle Ho is inscribed in our national emblem)

Our methods to achieve these objectives are: to amass progressive wealth together, progressing from poverty to sufficiency, from humble wealth to greater riches, and to accumulate wealth in all material, intellectual, moral, personality, and emotional contexts. People who becomes wealthy earlier should help others who come later. All national development strategies should have as their main goals the liberalization of labor and production forces, and the use of cultural and socioeconomic efficiencies as criteria for their evaluation. All economic and political establishments, including those of the party, state, and mass organizations, should always strive to diligently do their utmost for national development, happiness, and the prosperous and glorious future of the nation. Henceforth, the party will never hold that it already knows everything, especially when it is a ruling party, but it will always value highly all initiatives from the great national unity bloc in constructing and implementing lines and policies to serve the people. That is also the guiding thought in preventing officialism, coercion, and corruption, and in implementing representative democracy through the National Assembly and direct democracy through the Fatherland Front and other mass organizations. Lack of democracy in combination with improper enforcement of discipline and laws will cause our ideals and objectives to become unclear, and damage the superior characteristics of our regime.

These directions, objectives, and methods are the foundation for determining concrete viewpoints and measures in planning and implementing processes to resolve the unemployment problem.

We need to confirm the view that the labor force needs to be liberalized, with legal guarantees for all citizens to be free to do business, to amass wealth lawfully, and employ workers in accordance with legal stipulations. We need to remove all prejudices, prohibitions, and hindrances to innovation and development of the citizens' business. We should quickly bring to fruition laws on domestic investment, protection of private ownership and intellectual property, and labor that oblige employers to maintain the welfare of workers and their families.

Creation of employment should be based on the development of a multi-sectoral merchandise economy with measures that are diversified, interrelated, cooperative, and competitive between themselves. We need to form a flexible labor market that responds well to supply and demand and that could develop opportunities to create employment in the healthy environment of new moral values and legal codes.

Job creation is the core of the issue of ensuring social security and equity during the development process, and is currently the top priority for avoiding a crisis situation. We will not be able to ensure social equity in our economic development if we keep the model of centralized, authoritarian socialism coupled with indiscriminate subsidization. Neither should we pursue economic development regardless of its damage to social equity, as proof of the chaos and degradation in many developing countries.

Our economy is developing from a weak starting point, with scant capital and low technology. But we have a strong labor force, so our strategy of job creation must include measures that aim to accelerate economic development while ensuring social equity.

Economic sectors and professions which require more labor and less capital such as agriculture, rural industry, light industry, small industry, and handicrafts, should be strongly developed to utilize our advantage of cheap labor and expand exports. Small family and partnership enterprises in cities and the countryside should be expanded. Traditional professions in different villages and city urbans should be restored. Centers for scientific production and research should be established near education centers, universities, high schools, and urban streets and villages to create a new image of linking education with practice, production, and research. We should pay more attention to the urbanization of the countryside and avoid the negative effects of concentrating development in big cities. Regarding industrialization and modernization, we must pay particular attention to rural industrialization as we are modernizing necessary industries such as telecommunications, informatics, biology, oil and gas, renewable energy, and materials

We must utilize technologies that require less capital and more labor. They do not have to be low technologies. In fact, they can be technologies of high intelligence when we introduce culture into development, when we know how to link intellectuals with workers and peasants in commodity production, and when we know how to adapt, improve, and traditionalize the modern science and technologies and modernize the traditional science and technologies. If we know how to encourage and utilize our abundant

national contingent of intellectuals and our intelligent and industrious population with 85 percent literacy, we will be able to shoulder this serious undertaking. The strategic direction to solve the unemployment problem lies in rural areas, coastal areas, the 1 million square km of continental shelves, and hilly and mountainous areas comprising three-fifths of our country and 12 million hectares of fallow land.

We should supplement and perfect our employment prospects by providing adequate treatment to intellectuals and artists, retraining workers and managers, and upgrading economic sectors and professions to meet new requirements. We must perfect macroeconomic policies on taxation, land, natural resources, and credit to liberate and develop our potential labor force. We should introduce more policies to encourage citizens and organizations to create more jobs and satisfactorily implement the export of labor. We must consolidate and perfect our system of employment service, our centers for the application and transfer of technologies that provide more jobs, and the employment consultation offices. We must closely supervise our modest national employment fund to direct resources to localities and people with urgent needs for services. We must outline economic development plans to create more jobs practically and sufficiently. Then, we must quickly carry out the plans, avoiding the bureaucracy and formality which requires approval from different levels. We must stop allocating investment capital improperly. Investment capital should be quickly, fully, and directly allocated to create more jobs and develop the economy. In this area, we must strengthen control, quickly correct wrongdoings, and supplement and perfect the necessary tasks.

We should perfect our national employment program before introducing it to our annual planning in which directions for the creation of new regions, fields, industries, and professions must be outlined. Our investment should be concentrated on infrastructure to create favorable conditions and environment for citizens and political and socioeconomic organizations to create more jobs. We should pay more attention to the close combination of economy with national security and the economic, cultural, and social development of ethnic communities with programs for the cultural and social development of border areas and programs for the application and development of informatics, renewable energy, new materials, and biology.

Work represents the two sources, service and pleasure, of a citizen's happiness. Solving the employment problem is the responsibility of all people, the party, and the political system. It is also a central and urgent task of mass mobilization in national stabilization, renovation, construction, and protection.

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